



GBT REPORTS THIRD QUARTER AND 9M18 RESULTS

DOUBLE-DIGIT EBITDA GROWTH AND FOCUS ON LAUNCHES AND EXECUTION
COMPANY ALIGNMENT ON LONG-TERM STRATEGIC AGENDA AND INVESTMENT ON OPERATION.

Montevideo, November 12th, 2018 – Biotoscana Investments S.A. (B3: GBIO33), a biopharmaceutical group that operates in Latin America, announced today its results for the 3Q18. The following financial information, unless otherwise indicated, is presented in Brazilian Reais (BRL) and prepared in accordance with International Financial Reporting Standards (IFRS). Starting in 3Q18, reported numbers are presented applying Hyperinflation Accounting for our Argentinean operations, in accordance to IAS 29, as detailed on Section “Note on Argentina – Hyperinflation economy” (page 4). Organic growth continues to be presented applying constant year-over-year exchange rates to exclude the impact of the movement of foreign exchange rates and without the impact resulting from Hyperinflation Accounting. Historical numbers (3Q18*) are also presented without the impact resulting from Hyperinflation Accounting for comparison reasons.

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TICKER

B3: GBIO33

ENGLISH CONFERENCE CALL

November 12th
08:00 am (US ET) | 11:00am (Brasília)
t: +1 412 317-6776
code: GBT
Webcast available

PORTUGUESE CONFERENCE CALL

November 12th
10:00 am (US ET) | 01:00pm (Brasília)
t: +55 11 2188-0155
code: Biotoscana
Webcast available

WEBSITE

<http://ir.grupobiotoscana.com>
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HIGHLIGHTS

Net revenues for 3Q18 increased by 2% in constant currency, also impacted by discontinued business and SOLVADI, marking BRL 829M LTM (including hyperinflation adjustment).

Gross profit rose by 16% vs. 3Q17, in constant currency.

Gross margin of 51% (including hyperinflation adjustments) vs. 50% in 3Q17.

Adjusted EBITDA grew by 34% in constant currency vs. 3Q17.

Adjusted EBITDA margin came to 24% in 3Q18 (including hyperinflation adjustment), improving 283 bps vs. 3Q17.

Net income totaled BRL 13M in 3Q18 (including hyperinflation adjustment) from a loss of BRL 8M in 3Q17.

Adjusted net income up 82% from 3Q17, in constant currency.

Launches of new products continue to be main focus.

(BRL M)	3Q18	3Q17	Chg. %	3Q18*	3Q18	Chg. %
Net revenues	166	199	-17%	198	203	2%
Gross profit	84	101	-17%	105	117	16%
Gross Margin (%)	51%	50%	+15 bps	53%	57%	+688 bps
Adjusted EBITDA	39	42	-6%	50	56	34%
Adjusted EBITDA Margin	24%	21%	+283 bps	25%	28%	+665 bps
Net income	13	-8	-	17	23	-
Adjusted net income	27	18	50%	30	32	82%

■ Constant currency ■ Nominal currency * Historical number

MESSAGE FROM MANAGEMENT

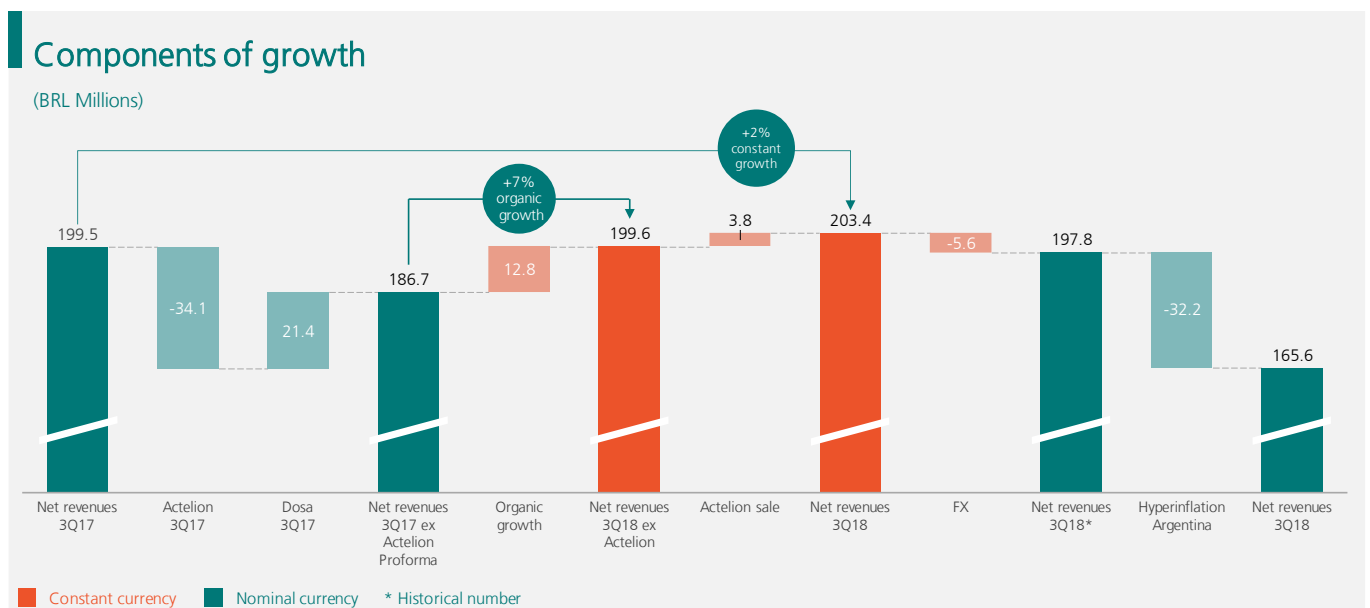
With several years of experience in the region, we have the expertise and resources to navigate through various economic cycles and a business model that provides flexibility in doing so and a solid organic growth.

Despite the different challenges faced across all our regions, we are positive about long term perspectives in all the countries, with plenty of opportunities with new launches and geographical expansion.

Argentina, while short term we might be cautious, we have a positive mid and long-term perspectives in the country. Detailed explanation about hyperinflation adjustments and Argentina is given at the next section "Note on Argentina".

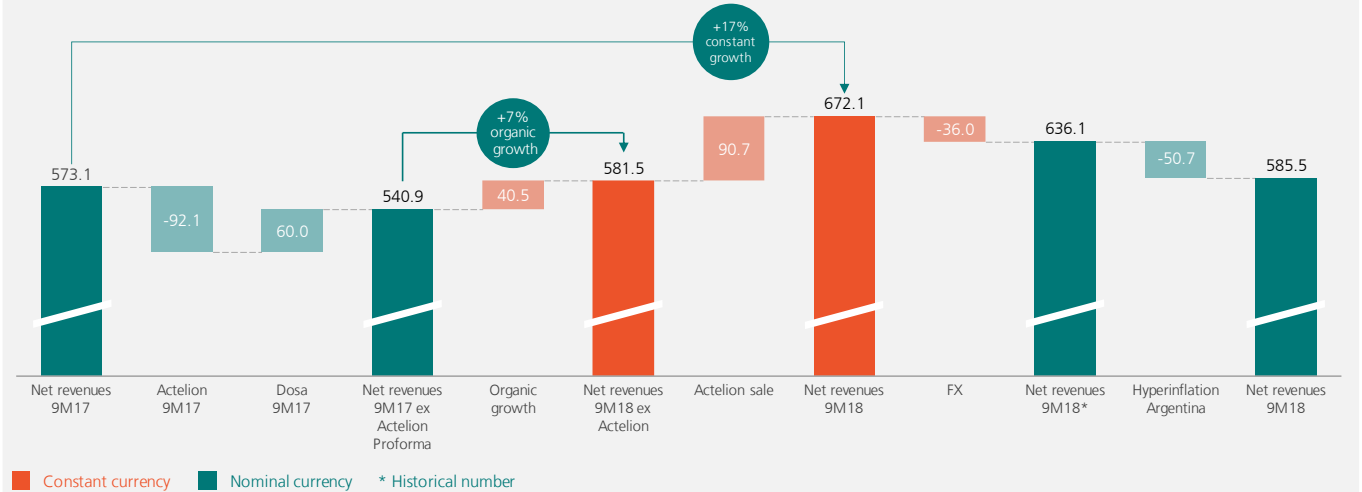
We are confident of GBT's ability to understand the market and its nuances and adapt to any reality faced by the industry and the country, continuing to deliver solid top line and EBITDA organic performance, supported by our proprietary products and new launches in the years to come.

The following graph details all the components of our growth for the current quarter as well as the nine months of the year.



Components of growth

(BRL Millions)



We understand that many of you consider SOVALDI® life cycle in Brazil as part of the daily operations, so we are showing the analysis in this same way. For organic we are only excluding M&A and discontinued businesses.

Our organic growth stood at 7% for the 3Q18 in comparison with the same period of last year and for the 9M18 in comparison with 9M17. This is mainly driven by SOVALDI®, that has a completely different commercial dynamic, something well clarified over previous documents. Excluding SOVALDI®, organic growth would have been 15% in the quarter and 12% in the nine months of the year.

In general, our product line continues with its general trends. Our legacy innovative portfolio grew approximately 8% in comparison with 3Q17, AMBISOME® continues to experience a sustained performance; VIDAZA® continues to perform at double-digits and, in general, our products are stable and continue their prior trends. The new products are at the initial ramp-up phase, we are only in the process of launching these across the region, something that illustrates the strong mid to long-term potential of our pipeline. We remain committed to effectively execute on our pipeline and set the right foundation to properly position these newly launched products.

Our margins remain healthy and improving, continuing with a now multi-quarter trend. Gross margin for 3Q18 reached 51%, in line with 3Q17, and EBITDA marked 24%, 283 bps above. This is due to the improved quality of our revenues and the positive impact of the addition of the Dosa line.

Our OPEX continue in check, representing approximately 33% of our net revenues, a result of the shifting of resources to new products from older lines.

As we are approaching the end of the year, we will continue to put great efforts into our strategy for the group, that remains unchanged, and remain committed on working on the launches and pipeline execution.

NOTE ON ARGENTINA

HYPERINFLATION ECONOMY

Argentina was considered a hyperinflation country as from July 1, 2018 onwards, in accordance with IFRS, since it presented a three-year accumulated inflation rate exceeding 100% and there are no qualitative issues mitigating the situation.

Therefore, starting from 3Q18, we need to apply IFRS rule IAS 29 “Financial information in hyperinflationary economies for International Financial Reporting Standards”, that require to report the results of our operations in hyperinflationary economies, as if these economies were highly inflationary as of January 1, 2018, and to restate the year to date results adjusting for the change in the general purchasing power of the local currency, using official indices, before converting the local amounts at the closing rate of the period (i.e. September 30, 2018 closing rate for 9M18 results).

We are presenting the impact of adopting hyperinflation accounting separately in the P&L exhibit of this press release, in a column named “Hyperinflation Argentina” at the end of this document. We are also presenting historical numbers without this effect.

In 3Q18 and 9M18 we are reporting negative impacts of BRL 32.2M and BRL 50.7M, respectively, on our net revenues, of BRL 10.4M and BRL 22.0M, respectively, in adjusted EBITDA and a negative consolidated impact of BRL 4.3M and BRL 7.9M, respectively, on net income due to the introduction of Hyperinflation Accounting. The 3Q18 Hyperinflation Accounting adjustment results from the combined effect of (i) the indexation to reflect changes in purchasing power on the 9M18 results restating each line according with IAS 29 until the end of the period, and (ii) the difference between the translation of the 9M18 results at the closing exchange rate of September 30, 2018 and the translation using the average year to date rate on the reported period, as applicable to non-inflationary economies.

Furthermore, IAS 29 requires adjusting for cumulative inflation the non-monetary assets and liabilities on the balance sheet of our operations in hyperinflationary economies. The resulting effect from the adjustment until December 31, 2017 has been reported in Retained Earnings amounting to BRL 84.8M and, from this date on, in a dedicated account in the finance results (“gain on net monetary position exposure to inflation”), reporting deferred taxes on such adjustments, when applicable.

OTHER IMPACTS

Although the macroeconomic environment in Argentina remains mired in recession, the latest political developments and available economic data provide a glimmer of optimism.

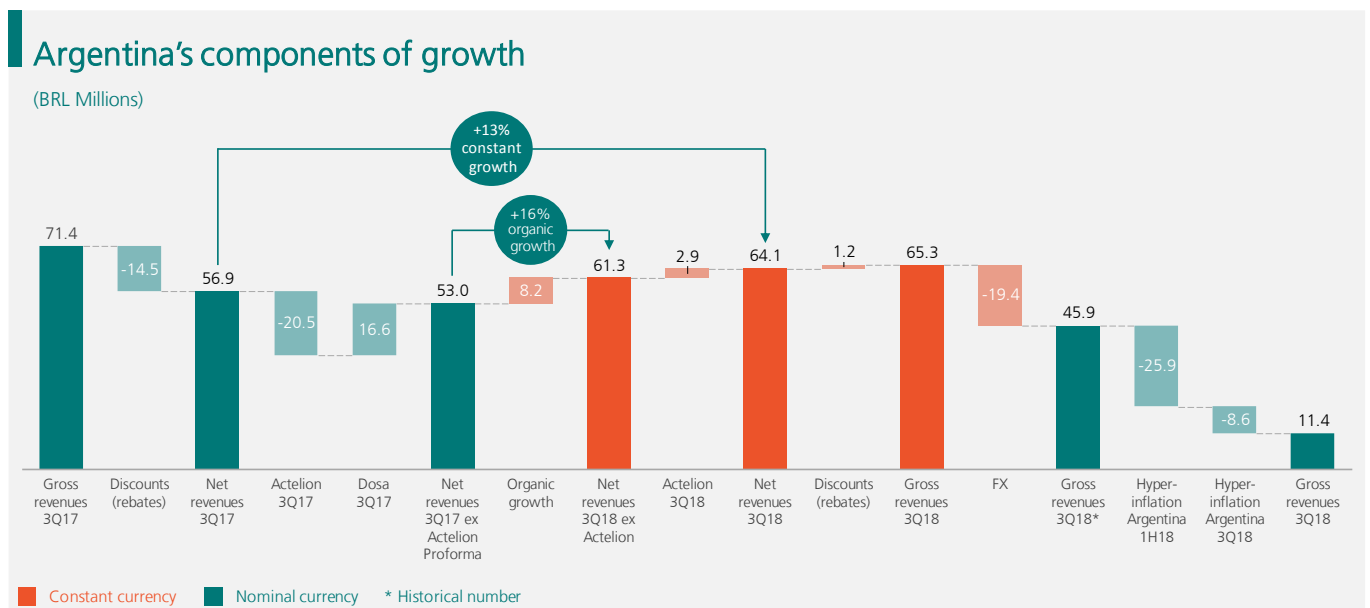
During October Argentina changed Central Bank authorities and began implementing a new IMF-approved monetary program. As a result, the exchange rate decreased by 12.3% reaching USD 36.16 at the end of October versus USD 40.61 at the end of September. Controlling inflation is the most important challenge faced by the Argentine authorities in the short term and the expectation is that the exchange rate accompanies the evolution of the inflation rate in the coming months. We still have a positive mid and long-term perspectives in the country.

In Argentina, there was a change on the billing system of GBT’s third party logistic operator that directly impacts revenues. Before invoices were registered with gross revenues, discounts (rebates) and net revenues, with this change all the invoices now are registered only with net revenues, making it harder to compare gross revenues in Argentina with prior periods.

In 3Q17, discounts (rebates) in Argentina amounted to BRL 14.5M (including BRL 4.5M of PAMI provision) and this quarter totaled BRL 1.2M (in constant currency).

Additionally, in this quarter, Argentina has started to recover a PAMI debt provisioned in 2017 amounting to BRL 4.4M, impacted by the hyperinflation adjustment and FX translation (or BRL 8.3M in constant currency).

The graph below extrapolates all the components to better explain the impacts, where we have the breakdown of discounts (rebates), DOSA proforma included in 3Q17, Actelion discontinued business, FX and hyperinflation adjustment from both periods – 1H18 and 3Q18 – that impacted the quarter.



SUBSEQUENT EVENTS

PAMI

Following previous months trend, PAMI (*Programa de Asistencia Médica Integral*) – the retiree’s HMO and the largest payor in the country – issued a new bid for oncology products. It will be, mostly likely, placed this year. The bid should comprise about 30 products, including LENALIDOMIDA® and LEUPROLID® and, for the first time, innovative monoclonal products, mostly owned by big pharmaceuticals.

This is the second oncology bid in the second half of the year, validating the change of purchase modality for PAMI. The Ministry of Health would make the consolidated purchase, which will include drugs for PAMI, the Army and OSBBA (*Obra Social de la Ciudad de Buenos Aires*).

As the business model changes, the structure will also adjust accordingly.

Another important change is the directly communication between GBT and PAMI, without the intermediation of the Chambers. With this new direct contract, GBT managed to improve agreement conditions. Firstly, from now on, there will be 100% monthly inflation passthrough. Before, when the contracts were signed through the Chamber, there was only a quarterly 70% inflation passthrough. Another good news is that PAMI has been paying 98% of its accounts payable within the agreed period. Third, GBT was able to include new oncology products in the new contract, that were not being sold through the former contract.

Finally, all outstanding debt for 2016, 2017 and the first two months of 2018 was renegotiated, which is being paid in 10 monthly installments with interest rate and we have received 3 installments already, approximately BRL 8M.

The first delivery related with the first bid GBT won, was on November 12. We should be delivering batches every month for the next 12 months. For those products, we are renegotiating a price increase given the devaluation in the country.

Against this backdrop of macroeconomic environment and sector changes, GBT is focused on leveraging its strong competitive position and to accelerate market share gains.

GBT DEBTS

On October 2, 2018, GBT signed an amendment to the loan with Banco Itaú to add one extra year of grace period and extend the final maturity of the loan by one year. Interest charge remain the same. Applicable fees for the amendment are 0.45% (approximately BRL 0.7M).

On November 2, GBT fully prepaid one of the loans granted by Citibank in Argentina, which suffered a considerable increase in the interest rate due to current market conditions in Argentina. The capital paid was ARS 265M.

EPCLUSA®

In October, GBT signed an extension agreement with Gilead to include EPCLUSA® in Brazil. The agreement is to commercialize EPCLUSA® (100mg velpatasvir/400 mg sofosbuvir) with the same margins as SOVALDI® and HARVONI® in the private market.

GBT maintains all its rights and obligations under prior agreement.

EXTRAORDINARY SHAREHOLDERS MEETING

On October 30th, GBT held its Extraordinary Shareholders Meeting (ESM) to vote on 2 items: (i) approval of amendments to the “Biotoscana Investments S.A. 2017 Stock Plan” previously approved by the Company’s Board of Directors for purposes of increasing the amount of Company shares that may be issued under the plan from 4.00% to 5.5% of the issued and outstanding shares of the Company and permitting Company directors and advisors to be eligible for the grant of stock options and share awards under the plan and (ii) consideration of implementation of stock buyback program for the Company.

The full proposed agenda was ratified, including the approval of the buyback program. The program’s objective is to create value for shareholders by properly managing the Company’s capital structure. The buyback program will acquire up to 5.5% of the free float in 18 months, after the initiation of such plan. The Board of Directors is responsible for defining the dates and the final approval in which the buyback will be effectively carried out.

HIV BID

We won part of a 2019 HIV bid that totaled approximately ARS 126M for GBT. The delivery will probably occur during 1Q19. This is the same bid GBT won last year and delivery occurred in the 1H18.

BOARD OF DIRECTORS

In October, GBT announced the appointment of a new independent member to the Board of Directors. Mr. Anders Tullgren was appointed on October 12th, filling the vacancy from Mr. Alfredo Blanco.

Mr. Tullgren has over 30 years of experience in the pharmaceutical industry and has held senior leadership roles in the United States, Germany, France, United Kingdom and the Nordic region. Mr. Tullgren served as President of the Intercontinental Region for Bristol Myers Squibb and was in charge of 82 markets across four regional country clusters (Latin America, MENA, India, Asia and CEE) and two standalone markets (China and Brazil), delivering USD2.7 billion of sales annually. Prior to that, Mr. Tullgren spent 5 years as Senior Vice President for European markets at Bristol Myers Squibb and was responsible for the launch of 60 products in a number of therapeutic areas, across 39 markets. Since retiring from BMS in 2017, Mr. Tullgren is the chairman of the board of directors of Xbrane Biopharma AB and serves as a board member of Symphogen AS, Branding Science (UK) Limited and Trialbee AB.

The appointment of Mr. Tullgren reinforces the commitment of the Board of Directors with the Company, contributing to our growth strategies.

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PORTFOLIO OVERVIEW

The following table summarizes our portfolio in the different vintage buckets, which are divided by different source of development stage.

Portfolio overview

	Product category	Time horizon	Origin	
			Licenses	Proprietary
Commercial Stage	Launches (key launches and other launches)	1-5 year old products	Examples: Halaven, Abraxane	Examples: Zyvalix, Telavir
	Peak years	5-10 year old products	Examples: Vidaza, Alprostadint	Examples: Ladevina, Tobradosa
	Mature products	10+ year old products	Examples: Ambisome, Salofalk	Examples: Leprid, Timab
Pipeline Stage	Contracted Pipeline	Products to be launched in the short to mid-term (1-4 years)	30 molecules	50 molecules
	Further Pipeline*	Closing negotiations	9 molecules	Undisclosed number
		Under due diligence	2 molecules	
		Early stage conversations	59 molecules	

* As of September 2018

BASE PORTFOLIO

Five main products from the base portfolio (all stages, excluding only key/innovative launches) represented approximately 48% of total gross revenues in 2Q18. They are comprised by AMBISOME®, LADEVINA®, SALOFALK®, SANDOGLOBULINA® and VIDAZA®.

RECENTLY LAUNCHED PRODUCTS

Recently launched products are the licensed products launched in the past five years (key launches). Usually, these products are still in the ramp up phase to reach peak market share.

In 3Q18, GBT had eleven products as key launches with sales registered within the quarter.

LENVIMA®, ABRAXANE® and HALAVEN® are contributing with sales in Brazil and ABRAXANE® in Mexico as well. GBT is working on the promotion and ramp up of these products and additional indications for several of them, as detailed in

the following sections. We are also working on the registration of LENVIMA® and HALAVEN® in several other countries within the region.

SOVALDI® and HARVONI® contributed with sales in Colombia and Peru, accounting for the HCV line.

HIV/AIDS line was launched in the Andean region as well. In Colombia, GBT is already selling most of the products (COMPLERA®, ATRIPLA®, STRIBILD®, TRUVADA® and VIREAD®) and in Peru, sales of TRUVADA® and VIREAD®.

Recently launched products

Product	Description	Partner	Year of launch	Countries launched
ABRAXANE®	Paclitaxel protein-bound particles prescribed for patients with metastatic breast cancer, locally advanced non-small cell lung cancer, and metastatic adenocarcinoma of the pancreas as first-line treatment in combination with gemcitabine	Celgene	October 2017	Brazil and Mexico
HALAVEN®	Eribulin mesylate indicated for patients with metastatic breast cancer and liposarcoma	Eisai	December 2017	Brazil
SOVALDI®	Sofosbuvir in tablet form used with other antiviral medicines to treat chronic hepatitis C genotype 1, 2, 3, or 4 infection in adults	Gilead	December 2015	Brazil
LENVIMA®	Lenvatinib, a novel multiple receptor tyrosine kinase inhibitor indicated to treat adults with a form of differentiated thyroid cancer, metastatic renal cell carcinoma and unresectable hepatocellular carcinoma	Eisai	April 2018 (Sales started in April 2018)	Brazil
ZEVTERA®	Ceftobiprole is a broad-spectrum intravenous antibiotic from the cephalosporin class for i.v. administration with bactericidal activity against certain Gram-positive and Gram-negative bacteria, including methicillin-resistant Staphylococcus aureus (MRSA) and susceptible Pseudomonas spp	Basilea	March 2018 (Sales started in April 2018)	Argentina
HIV/AIDS LINE	TRUVADA®, COMPLERA®, STRIBILD®, ATRIPLA®, VIREAD®	Gilead	May 2018 (Relaunched by GBT)	Colombia: all products Andean Region ex Ecuador: TRUVADA®, VIREAD®
HCV LINE	SOVALDI® and HARVONI®	Gilead	May 2018 (Relaunched by GBT)	Colombia and Peru

PIPELINE

Grupo Biotoscana continues to build and deliver pipeline with important progress, bringing innovative products into the region.

GBT's pipeline is divided into innovative products and branded generics (BGx) and between contracted pipeline (products already signed and under registration process and BGx under registration process) and further pipeline (products and deals under analysis and negotiations not yet completed and BGx under development).

In terms of BGx, we are working on the development of seven products, most of them focused on rare diseases and severe pulmonary diseases.

CONTRACTED PIPELINE

The full breakdown of the contracted pipeline is found at the Supplementary Pipeline Information document. Some of the molecules in the contracted pipeline are already being executed in certain countries with immediate revenue stream. Others are still undergoing regulatory process or dossier preparation to present to specific authorities, but all the molecules in the contracted pipeline are molecules with contracts already signed.

For detailed information on launches and registration status, please go to the Supplementary Pipeline Information document.

BASILEA PARTNERSHIP

In terms of new product approvals, we obtained marketing authorization for CRESEMBA[®] (isavuconazole) in Argentina, with launch expected in the first half of 2019.

So far, CRESEMBA[®] and ZEVTERA[®] have been approved in Argentina and Peru and are under registration process in Brazil, Chile, Colombia, Ecuador and Mexico.

The antifungal CRESEMBA[®] was approved by ANMAT in Argentina for the treatment of adult patients with invasive aspergillosis and for the treatment of adult patients with mucormycosis for whom amphotericin B is inappropriate. The product is a well differentiated drug that addresses a critical medical need in patients with invasive mold infections.

BGx PROPRIETARY PRODUCTS

GBT has worked on several registration approvals in various countries within the region for the BGx products. Launches for those products will happen in a different timing for each of them, since it depends on each country particularities and market conditions.

In terms of approvals, in the 3Q18, GBT received registration approval of 14 new products/formulations (combination of products x countries) for Argentina (2 oncology products), Colombia (2 oncology product), Ecuador (4 oncology products), Paraguay (1 oncology product and 1 severe pulmonary disease), Peru (1 oncology product), Chile (1 oncology product), Costa Rica (1 severe pulmonary disease) and Dominican Republic (1 oncology product).

In terms of submissions, GBT already has 10 products under registration process in Argentina, 4 in Bolivia, 4 in Chile, 4 in Paraguay, 3 in Peru and 1 in Uruguay. There are 15 products in our pipeline that GBT is working on the dossiers and submission package for beginning of registration process.

For our future pipeline, there are 10 BGx products under development, scheduled to be launched on 2020 onwards.

EISAI PARTNERSHIP

In Brazil, as anticipated in the previous earnings release, HALAVEN® received approval by Anvisa for 2nd-line therapy for metastatic breast cancer and soft tissue sarcoma (STS), reinforcing the benefits of the product and its importance in the oncology setting.

ANVISA approval for the expansion of the current indication for 2nd line therapy in MBC now includes patients who have had only one treatment which could be an anthracycline or taxane¹. The approval is based on the EMA approval received in July 2014 and additional clinical studies (Phase III clinical study - Study 301) comparing the efficacy and safety of eribulin and capecitabine as monotherapy, ranging from first to third lines of treatment with a trend favoring improved overall survival (OS).

With this indication expansion, HALAVEN® will now be able to contribute at an earlier stage to patients with metastatic breast cancer in Brazil. Over 57,000² women are diagnosed with breast cancer in Brazil every year, of whom about 30%³ subsequently develop metastatic disease. The incidence of breast cancer is increasing in Brazil at a 4,74%⁴ rate (2018-2019) so continuous efforts are being done to provide treatment options with high efficacy and tolerability for those patients.

The second approval is for inoperable soft tissue sarcoma for patients who have received prior chemotherapy for locally advanced or metastatic disease was based on the FDA approval received in January 2016 and clinical studies conducted by Eisai (randomized Phase III study - Study 309). The study aimed a direct comparison of eribulin and dacarbazine and concluded there is substantial evidence for the efficacy of eribulin in advanced soft tissue sarcoma, as demonstrated by the statistically significant and clinically significant improvement of overall survival. HALAVEN® is the first and only single agent systemic therapy to demonstrate an improvement in overall survival in people previously treated for soft tissue sarcoma, which remains a disease with significant unmet medical need⁵.

HALAVEN® is under registration process in Argentina, Chile and Colombia. We expect that the regulatory strategy will follow EMA approval so the indication in all countries should be 2nd line MBC and STS.

GBT is committed to maximizing the value of HALAVEN® and increasing the benefits provided to patients with cancer and their families as well as healthcare providers.

Regarding LENVIMA®, following Japan's approval, GBT received authorization for renal cell carcinoma (RCC) in Brazil.

In Brazil, launch of FYCOMPA® occurred in the beginning of 4Q18 at the Pediatric Neurology Congress in Belo Horizonte and INOVELON® at the Brazilian Neurology Congress in São Paulo. In Mexico, both products were approved in 3Q18 and launch is expected by 2019.

¹ Halaven's Prescribing Information as of September 24, 2018.

² INCA. Retrieved September 26, 2018, from http://www2.inca.gov.br/wps/wcm/connect/tiposdecancer/site/home/mama/cancer_mama

³ BreastCancer.org. Retrieved September 26, 2018, from https://www.breastcancer.org/symptoms/types/recur_metast

⁴ INCA. Retrieved September 26, 2018, from http://www2.inca.gov.br/wps/wcm/connect/tiposdecancer/site/home/mama/cancer_mama

⁵ Eisai. Retrieved September 26, 2018, from <https://www.eisai.com/news/news201607.html>

GILEAD PARTNERSHIP

During the 2Q18, we signed a very significant extension of our partnership with Gilead to include 15 existing products in the Andean market, including five countries. Some of these products are already being commercialized and under recently launched products. We have also signed the extension agreement in Brazil to include EPCLUSA[®] for commercialization in the country.

PIERRE FABRE PARTNERSHIP

In 2016, GBT signed a deal with Pierre Fabre - a French private pharmaceuticals company - to commercialize NAVELBINE[®] (Vinorelbine) in injectable and oral forms, JAVLOR[®] (Vinflunine) and BUSILVEX[®] (Busulfan). GBT has received exclusive rights to register, import, market, promote and commercialize said pharmaceutical products in Colombia, Chile, Ecuador and Peru.

BUSILVEX[®] was approved in Chile as conditioning treatment prior to hematopoietic progenitor cell transplantation (HPCT) under three different conditions. Firstly, BUSILVEX[®] can be used followed by cyclophosphamide as conditioning treatment prior to HPCT in adult patients, when the combination is considered the best available option. It can also be used following fludarabine as conditioning treatment prior to HPCT in adult candidates for a reduced intensity conditioning regimen. In pediatric patients, BUSILVEX[®] is used followed by cyclophosphamide or melphalan.

In the 3Q18, GBT obtained registration approval for BUSILVEX[®] (busulfan) in Chile. There are two other products from Pierre Fabre – JAVLOR[®] and NAVELBINE[®] – that are also approved in Chile. Launches are scheduled for 2019 throughout the year.

BUSILVEX[®] is indicated for hematopoietic progenitor cell transplantation. JAVLOR[®] is indicated for bladder cancer and NAVELBINE[®] is indicated for metastatic breast cancer and non-small cell lung cancer.

FURTHER PIPELINE AND EVENTS

The following table shows GBT's current further pipeline for licensed products, divided by early stage, due diligence and closing stages.

During September the Business Development team performed a second trip to Europe to introduce GBT capabilities and follow up deals in the Ovarian Cancer and Acute Myeloid Leukemia indications. The team also met a current partner to start negotiations to extend the current product line into Brazil and acquire the Latin American commercial rights of a product for the treatment of eosinophilic esophagitis.

In this quarter, most of the efforts were dedicated to finalizing the due diligence of the portfolio of anti-infectives, strengthen the relationships with key partners in the hematologic malignancies segment and consequently push forward the key strategic deals in the indications of Chronic Lymphocytic Leukemia and Multiple Myeloma. The anti-infectives

portfolio deal that was in the due diligence phase, unfortunately didn't pass the commercial and the intellectual property assessments.

The team is actively working on the preparation of the meeting rounds at the coming American Society of Hematology (ASH) and JP Morgan Healthcare Conference where the Business Development team will actively participate to follow up current deals and discover new business opportunities.

At the beginning of October, Grupo Biotoscana attended CPhI Madrid, one of the biggest events of the pharma industry in the world, where companies covering the entire supply chain are present, such as API suppliers, packaging, finished dosage formulations, machinery, etc. The Business Development team was focused on finding finished dosage formulations ("FDF") generics with EMA and / or FDA approval, especially on three indications – CNS, Oncology and Antifungals – in order to cover some portfolio white spaces and increase the number of products available for the sales force, through partnerships with companies that have robust production capacity and the highest quality products.

In the Oncology field, we were focused on looking for generic everolimus, a product that is used in combination with LENVIMA® in the Renal Cell Carcinoma ("RCC") indication. In addition to this product, we also sought Leuprolide, which is used primarily for prostate cancer. In CNS, we were looking for products for Alzheimer's, Parkinson's and Multiple Sclerosis, which can be marketed in conjunction with Eisai's epilepsy products (FYCOMPA® and INOVELON®); while in the antifungals, we were in search of caspofungin to be added to the innovative portfolio of AMBISOME® and CRESEMBA®, that will allow us to close the whole chain of antifungals and promote cross sales to our clients.

During the three days of the event, more than 60 companies' booths were visited, and more than 30 meetings were held with potential partners, the processes are in the stage of commercial and regulatory due diligence.

In October, GBT also participated at ESMO – European Society for Medical Oncology – a congress where the oncology stakeholders (researchers, physicians, cancer nurses, etc) discuss important topics on securing better patient outcomes through access to high-quality care. GBT had a stand-alone booth and we sponsored 10 Brazilian oncologists to participate at the event.

Within this same month, GBT organize a CORE (Continuing Oncology Research and Education) Meeting in Brazil, a stand-alone event with 10 national and international speakers to discuss all oncology areas where GBT has a presence, such as thyroid, pancreas, kidney and breast cancer. The event had the participation of over 100 physicians that were able to listen and discuss with key opinion leaders about the best-in-class treatments for all the related diseases. We have also been developing mini-meetings in reference centers across Brazil to reinforce the use of LENVIMA® in DTC patients.

In the past, Chinese pharma companies were mainly focused on manufacturing generic products of low cost and high volumes. Recently, several Bio-tech Chinese companies have started building capabilities and making investments in innovative drugs with the purpose to address relevant global unmet medical needs. The number of applications of local innovative drugs entering clinical trials in China has consistently grown a compound annual growth rate of 33%. We at GBT have reacted to this new source of innovation and wanted to be the first mover in capitalizing for the benefit of the Latin America patients this opportunity. We started to map such opportunities and started negotiations with Chinese

companies able to offer either first in class or best in class New Molecular Entities (NME). By early 2019 we plan to travel to China to hold face to face meetings with the companies that are developing the most promising products that could bring a fresh source of innovation to our region.

Further licensing pipeline*

(# of molecules)

<i>Stage</i>	Oncology	Rare diseases	Special treatments and I&I	Anti infectives
Early stage	22	9	15	13
Due dilligence	1	-	1	-
Closing	-	2	7	-

* As of September 2018

FINANCIAL AND OPERATING PERFORMANCE

The table below shows GBT's P&L highlights that will be discussed in detail further on.

Profit and loss statement highlights												
(BRL Millions)												
	3Q18	3Q17	Chg. %	3Q18*	3Q18	Chg. %	9M18	9M17	Chg. %	9M18*	9M18	Chg. %
Gross revenues	177.4	228.0	-22.2%	212.2	217.0	-4.8%	638.4	652.4	-2.1%	693.4	731.7	12.2%
Net revenues	165.6	199.5	-17.0%	197.8	203.4	2.0%	585.5	573.1	2.2%	636.1	672.1	17.3%
Cost of goods sold	-81.8	-98.8	-17.2%	-92.7	-86.8	-12.2%	-281.3	-273.8	2.8%	-293.3	-300.6	9.8%
COGS (%)	-49.4%	-49.6%	-15 bps	-46.9%	-42.7%	-688 bps	-48.1%	-47.8%	28 bps	-46.1%	-44.7%	-304 bps
Gross profit	83.8	100.6	-16.7%	105.1	116.6	15.9%	304.1	299.3	1.6%	342.8	371.5	24.1%
Gross Margin (%)	50.6%	50.4%	15 bps	53.1%	57.3%	688 bps	51.9%	52.2%	-28 bps	53.9%	55.3%	304 bps
Recurring operating expenses	-55.1	-64.8	-15.0%	-66.1	-69.6	7.3%	-186.5	-191.6	-2.7%	-202.5	-216.1	12.8%
Recurring OPEX (%)	-33.3%	-32.5%	79 bps	-33.4%	-34.2%	170 bps	-31.9%	-33.4%	-157 bps	-31.8%	-32.2%	-128 bps
(+) Stock grants	-3.5	-15.2	-76.8%	-3.5	-3.5	-76.8%	-9.2	-34.1	-73.0%	-9.2	-9.2	-73.0%
(-) Bad debt recovery	0.0	0.0	-	0.0	0.0	-	-5.3	0.0	-	-5.3	-4.5	-
Opex including non-cash items	-58.7	-80.1	-26.7%	-69.7	-73.1	-8.7%	-201.0	-225.7	-10.9%	-217.0	-229.8	1.8%
OPEX (%)	-35.4%	-40.1%	-471 bps	-35.2%	-35.9%	-420 bps	-34.3%	-39.4%	-505 bps	-34.1%	-34.2%	-519 bps
Operating income	25.1	20.6	22.2%	35.4	43.5	111.6%	103.1	73.6	40.1%	125.8	141.7	92.4%
EBIT Margin	15.2%	10.3%	487 bps	17.9%	21.4%	1108 bps	17.6%	12.8%	477 bps	19.8%	21.1%	823 bps
(+) D&A	7.0	4.4	59.5%	6.5	6.0	35.8%	20.7	12.4	67.2%	19.2	18.6	50.0%
(+) Stock grants	3.5	15.2	-76.8%	3.5	3.5	-76.8%	9.2	34.1	-73.0%	9.2	9.2	-73.0%
(+) One-time adjustment	3.8	1.7	127.2%	4.3	3.2	93.3%	4.6	6.1	-24.5%	5.4	4.5	-26.0%
Adjusted EBITDA	39.4	41.8	-5.8%	49.8	56.2	34.3%	137.7	126.2	9.1%	159.7	174.0	37.9%
Adjusted EBITDA Margin	23.8%	21.0%	283 bps	25.2%	27.6%	665 bps	23.5%	22.0%	149 bps	25.1%	25.9%	386 bps

■ Constant currency ■ Nominal currency * Historical number

GROSS REVENUES

The company's gross revenue totaled BRL 177.4M in the 3Q18, down 4.8% compared to 3Q17 on a constant currency basis. For the 9M18, gross revenue came to BRL 638.4M, a constant currency increase of 12.2% vs. same period of last year. This is exclusively due to the comparison including Actelion portfolio, which contract came to an end on May/2018. Excluding Actelion, gross revenues grew by 13% and excluding both Actelion and SOVALDI®, gross revenues grew by 23% in 3Q18, in constant currency.

Oncology and onco-hematology remains as the main therapy area for GBT, accounting for 43% of our gross revenues in 3Q18 and 36% for the 9M18, followed by infectious diseases (includes SOLVADI®, HARVONI® and HIV line) with 37%, specialty treatments and I&I (inflammation and immunology) with 18% and orphan and rare diseases therapeutic line (that includes severe pulmonary diseases products) with 3% in 3Q18.

On Appendix 8, at the end of the document, there is detailed information on the therapeutic lines breakdown.

PORTFOLIO BREAKDOWN

LYFE CYCLE

Organic gross revenues grew by 13%, supported by the increase of launches (+100%), showing the robust growth of our next-generation pipeline, peak year products (+28%) and mature products (+2%).

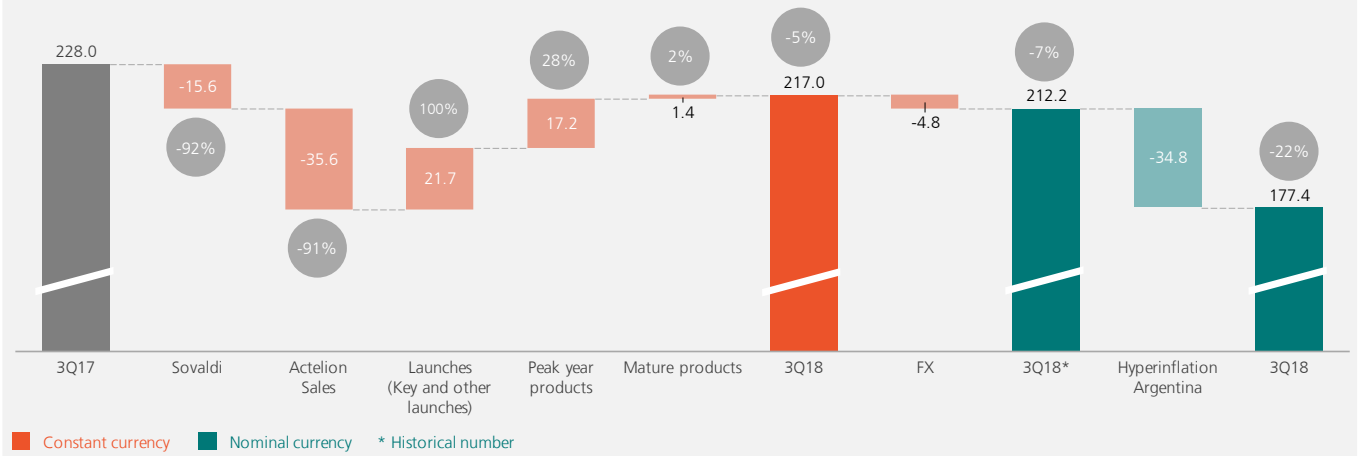
GBT's commercial stage portfolio includes:

- (i) launches (~22% of total gross revenues) that are products launched recently - 1 to 5-year-old products - and can be divided into key launches from innovative licensed products and other launches from the BGx portfolio. Products within 5 years of launch are supported by growth of the oncology line in the region, including licensing products, such as ABRAXANE[®] and LENVIMA[®] and good performance of BGx products, as ZYVALIX[®], including new products from Dosa.
Excluding SOVALDI[®] and the Actelion line, growth YoY came to 100% and licensed products represented approximately 42% of total launches gross revenues.
- (ii) peak year products (~36% of total gross revenues), which are with 5 to 10 years after launch, that already reached peak sales (both licensed and BGx products). Mid-life products also had growth supported by the oncology line, with products such as VIDAZA[®] in Brazil and LADEVINA[®] in Argentina, among other products and therapeutic lines. Licensing products contributed with approximately 54% of total peak year revenues.
- (iii) mature products (~42% of total gross revenues) that are around 10 years or over after launch, and usually already lost exclusivity and may start to decline over the years (both BGx and licensed products). For the quarter, mature products (over 10 years of launch) showed an increase of 2%, in constant currency, when excluding Actelion line, supported by AMBISOME[®], SALOFALK[®], RHOPHYLAC[®] and ALBUREX[®], among others BGx.

Base portfolio (BRL 187.9M), that includes other launches (excluding recently key launched products), peak-year products and mature products increased by 13% YoY, when excluding Actelion, and represented approximately 90% of total gross revenues in the 3Q18. Recently launched products increased by 16%, excluding Actelion.

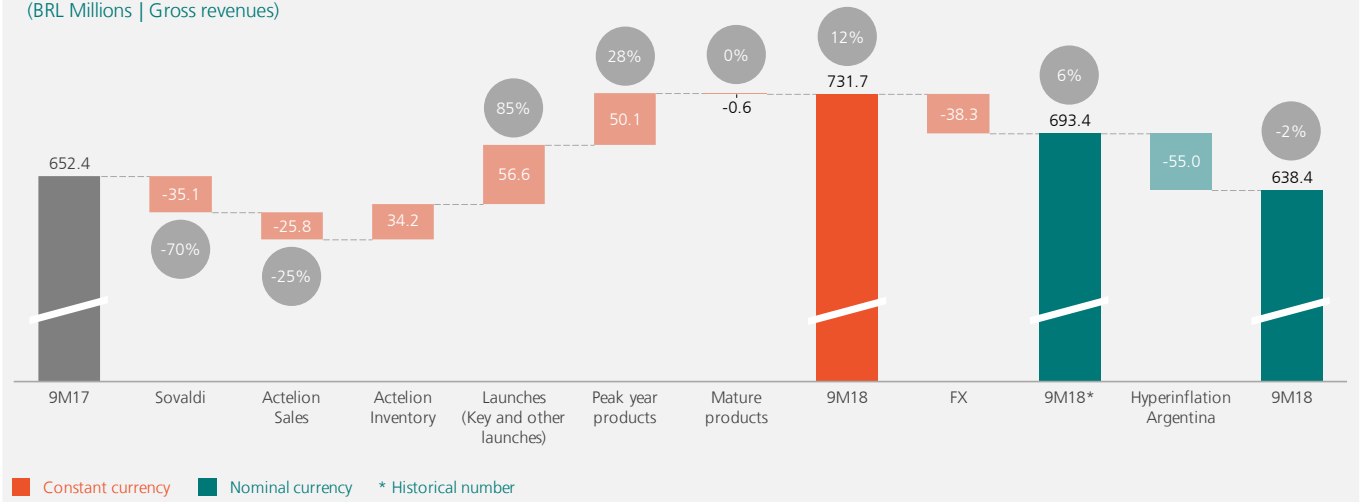
Portfolio breakdown

(BRL Millions | Gross revenues)



Portfolio breakdown

(BRL Millions | Gross revenues)



RECENTLY LAUNCHED PRODUCTS

Recently launched products rose 16% YoY, excluding discontinued businesses, showing solid growth of new products. ABRAXANE® already reached over 330 patients under treatment, with a very good reception by oncologists in the region. Gross sales amounted to BRL 7.5M in 3Q18 from BRL 5.2M in the 2Q18, up 38.8%.

HALAVEN® reached over accumulated 530 patients treated. HALAVEN® reached gross revenues of BRL 2.1M in 3Q18 with lower volume than 2Q18 due to the entrance of new competitors and the reduction of the chemotherapy market due to the use of specific drugs and access delays in one of the biggest second tier HMO, that is still analyzing the acceptance of HALAVEN® in the formulary. We remain positive about HALAVEN®'s future in the highly unmet need market

of mBC, specially TNBC, since HALAVEN® is the only chemotherapy agent that has demonstrated to provide overall survival rate as monotherapy.

LENVIMA® was launched in April and has reached 36 patients from 24 patients in 2Q18 under treatment for differentiated thyroid cancer, in line with expectations. LENVIMA® has a tremendous potential within the country, with new approved indication of advanced renal cell carcinoma (RCC) and the other indication in queue to be approved - hepatocellular carcinoma, in Brazil.

SOVALDI® followed the same trend in Brazil as it did in the world, with a drop of 88.3% when compared with 3Q17. For this quarter, we also have sales of SOVALDI® in Colombia and Peru, totaling BRL 0.6M in 3Q18 from BRL 0.2M in 2Q18, in lieu with the beginning of sales in the end of May in both countries. HARVONI totaled BRL 1.3M in 3Q18 from BRL 0.5M in 2Q18, with sales in Brazil, Colombia and Peru, showing progress and expected uptake in Colombia and Peru.

For the HIV/AIDS portfolio, sales started, in some countries, mid-2Q18. For the 3Q18, we reached BRL 6.2M of gross revenues.

Recently launched products

(BRL Millions)

	3Q18	3Q17	Chg. %	3Q18*	3Q18	Chg. %	9M18	9M17	Chg. %	9M18*	9M18	Chg. %
Total gross revenues	177.4	228.0	-22.2%	212.2	217.0	-4.8%	638.4	652.4	-2.1%	693.4	731.7	12.2%
Abraxane	7.5	0.5	1461.9%	7.5	7.2	1393.3%	15.7	0.5	3171.5%	15.7	15.1	3038.0%
Halaven	2.1	0.0	-	2.1	2.1	-	11.2	0.0	-	11.2	11.2	-
Harvoni	1.3	0.0	-	1.3	1.2	-	1.8	0.0	-	1.8	1.6	-
Lenvima	1.2	0.0	-	1.2	1.2	-	3.9	0.0	-	3.9	3.9	-
Sovaldi	2.0	17.1	-88.3%	2.0	1.9	-89.0%	15.6	49.9	-68.8%	15.6	15.4	-69.1%
Zevtera	0.0	0.0	-	0.0	0.0	-	0.1	0.0	-	0.1	0.1	-
HIV/AIDS Line	6.2	0.0	-	6.2	4.8	-	8.5	0.0	-	8.5	6.8	-
Opsumit - Sales	-4.0	20.8	-	1.4	1.8	-91.5%	42.5	53.5	-20.6%	38.2	44.2	-17.4%
Opsumit - Inventory	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	13.9	16.9	-
Veletri - Sales	-2.0	4.5	-	0.1	0.1	-97.0%	11.6	10.0	15.7%	10.0	12.5	24.6%
Veletri - Inventory	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	5.3	7.0	-
Gross revenues - Recently launched products	14.4	42.9	-66.4%	21.9	20.3	-52.6%	110.9	113.9	-2.6%	124.2	134.7	18.2%
Total deductions	-3.9	-18.3	-78.7%	-6.5	-5.7	-68.9%	-29.8	-54.8	-45.6%	-34.1	-36.4	-33.5%
Total tax on sales	-8.0	-10.3	-22.4%	-8.0	-8.0	-22.4%	-23.2	-24.5	-5.3%	-23.2	-23.2	-5.3%
Total net Revenues	165.6	199.5	-17.0%	197.8	203.4	2.0%	585.5	573.1	2.2%	636.1	672.1	17.3%

■ Constant currency ■ Nominal currency * Historical number

DISCONTINUED BUSINESS

Actelion line was discontinued from June onwards and therefore considered discontinued business from 3Q18 forward. The portfolio of products was comprised by four molecules: OPSUMIT®, TRACLEER®, VELETRI® and ZAVESCA®. Altogether, Actelion line amounted to BRL 3.1M of gross revenues in sales (excluding hyperinflation adjustment) in the 3Q18 from BRL 38.9M in 3Q17.

PRODUCT ORIGIN

In 3Q18, 70% of total gross revenues came from licensed innovative products and 30% from BGx products. In terms of revenues, BGx portfolio grew by 15.4%.

NET REVENUES

YoY deductions decreased 78.6%, reflecting a significant decrease on rebates due to a change on the billing system of our third party logistic operator in Argentina. Additionally, our Argentina affiliate recovered in 3Q18 a PAMI debt provisioned in 2017 recorded under "rebates" account amounting to BRL 4.4M that is impacted by the hyperinflation adjustment and FX translation (or BRL 8.3M in constant currency). Deductions represented 2.2% of gross revenues in 3Q18 and in 3Q17, represented 8.0%, a decrease of 580 bps.

Net revenues organic currency growth came to 7% with good performance of base portfolio, including new BGx and licensed products.

Net revenues growth		
(BRL Millions)	3Q18 vs. 3Q17	3Q18 vs. 3Q17 Main drivers
Nominal growth	-17%	Positive: new products, Dosa Negative: Hyperinflation adjustments, Actelion, FX
Constant currency growth ¹	2%	Positive: new products, Dosa Negative: Actelion portfolio, Sovaldi
Organic growth²	7%	Positive: new products and overall company's core operation

¹ Growth excluding FX
² Growth excluding FX, M&A and discontinued operations

GEOGRAPHY BREAKDOWN

As explained in a prior section, Argentina was considered a hyperinflation economy, therefore we had to apply different rules to report results this quarter, that are not comparable with 3Q17. For comparison reasons, nominal numbers are referring to the results without the hyperinflation adjustment.

Despite the depreciation of the Argentinean Peso, in 3Q18, in Argentina, there was a higher selling volume and pass through of inflation, amounting net revenues of BRL 44.9M (excluding hyperinflation adjustment), with an increase of 12.8% in constant currency. Nominal currency result is fully explained by the devaluation of the currency. For the 9M18, net revenues increased by 53.1% vs. 9M17, in constant currency. Argentina operations is also impacted by the Actelion portfolio, when excluding Actelion and including Dosa proforma in the base, organic growth came to 16% in the 3Q18 and 10% in the 9M18.

Growth in Argentina is, mainly, due to good performance of our proprietary franchise of oncology, such as MIELOZITIDINA®, ZYVALIX® and LADEVINA® and severe respiratory diseases products, such as OXITINOL®, among others.

In Brazil, net revenues reached BRL 90.3M, an increase of 6.6% in 3Q18, in constant currency.

In the quarter, the performance is positively impacted by ABRAXANE[®], AMBISOME[®] and VIDAZA[®]. For the 9M18, increase came to 4.6% impacted, overall, by the back orders of ABRAXANE[®] and HALAVEN[®] in the 1Q18 and partially 2Q18, both solved during 2Q18. For 9M18, AMBISOME[®] is stable and VIDAZA[®] double-digit growth is supported mainly by volume. Excluding SOVALDI, Brazil net revenues increased by 26.0%.

Colombia is impacted by the end of Actelion contract last quarter. Excluding full Actelion portfolio, to compare the recurring revenues going forward, there was an increase of 15.1% in 3Q17, in constant currency. This improvement is related with the turnaround implementation, cost control and mostly from the successful launch of ZYVALIX[®] (abiraterone) in April (first generic in the market) and beginning of sales of some products from HCV and HIV Gilead portfolio.

Mexico is progressing well, with BRL 6.0 of net revenues for 9M18. We have been working to include ABRAXUS[®]/ABRAXANE[®] in the formulary for the public market and this month we received positive news regarding this process, with ABRAXUS receiving the approval to include the product for the 1st line treatment in adults⁶. Once this is published in the Official Newspaper, GBT will be able to offer ABRAXUS[®] via public market as well.

The rest of our operations have mixed results in the quarter, most of them positive. Bolivia, Chile, Paraguay and Uruguay, altogether, increased by 29.7% in the quarter and 27.9% in the 9M18. It is mainly driven by a positive performance in the onco-hematology, gastroenterology and severe pulmonary diseases line in the region.

Ecuador and Peru are mostly impacted by the maturity of the hemoblood product portfolio. This is a line mainly sold in the public market through bids, where we face more pricing pressure. In 2018, there was a stronger price competition for those products which affected not only prices but also volume for those bids. As we repeatedly said in previous documents, mature portfolio tends to revenue decreasing. Nonetheless, we are working on the renewal of the portfolio.

In Peru we launched Gilead portfolio of HepC and HIV with perspective of becoming a relevant franchise in the country, and we are working on the launches of the Basilea portfolio. Ecuador is also affected by Actelion.

Net revenues

(BRL Millions)

	3Q18	3Q17	Chg. %	3Q18*	3Q18	Chg. %	9M18	9M17	Chg. %	9M18*	9M18	Chg. %
Net revenues	165.6	199.5	-17.0%	197.8	203.4	2.0%	585.5	573.1	2.2%	636.1	672.1	17.3%
Argentina	14.2	56.9	-75.0%	44.9	64.1	12.8%	161.1	178.1	-9.5%	209.9	272.6	53.1%
Brazil	90.3	86.1	4.8%	92.4	91.8	6.6%	243.4	233.5	4.2%	246.1	244.2	4.6%
Colombia	36.1	36.9	-2.2%	36.1	28.2	-23.5%	111.1	102.8	8.0%	111.1	95.4	-7.2%
Mexico	2.1	0.2	776.9%	2.1	1.7	636.0%	6.0	0.2	2480.2%	6.0	5.4	2206.4%
Other	23.0	19.4	18.6%	22.4	17.6	-9.3%	63.9	58.4	9.3%	63.1	54.5	-6.7%

■ Constant currency ■ Nominal currency * Historical number

⁶This will become official only when published in the official newspaper. Find more information on the approval conquered so far on: http://www.csg.gob.mx/descargas/pdf/priorizacion/cuadro-basico/med/proy-act/Proyecto_10a_Act_Ed_2017_CByCM_23102018.pdf

GROSS PROFIT

In 3Q18, our gross profit increased by 15.9% in constant currency, when compared to 3Q17, reaching BRL 83.8M in nominal terms from BRL 100.6M in 3Q17.

The gross margin reached 50.6%, an increase of 15 bps, when compared with 3Q17 gross margin of 50.4%. The overall improvement in our gross margin in constant currency is related with lower SOVALDI® in Brazil, which has lower margins, better quality of revenues, with products with higher margins, mix of sales channel and contract protection for a few products where there is a maximum USD rate that can be applied, which protects GBT when there is a high fluctuation, as it occurred in Brazil and Argentina in the past months.

OPERATING EXPENSES

Recurring operating expenses reached BRL 55.1M in 3Q18, an increase of 7.3% in constant from 3Q17 and a decrease of 7.2% from 2Q18. The increase when compared with 3Q17 is supported, mostly, by Dosa acquisition that occurred only in late 4Q17, which contributed with an increase in the amount of BRL 3.5M in the total recurring OPEX for the quarter (BRL 5.1M in constant currency). As a percentage of net revenues, recurring operating expenses stood at 34.2% in 3Q18 vs. 32.3% in the 2Q18 and 32.5% in 3Q17. Recurring operating expenses is calculated excluding stock grants. Operating expenses including stock grants reached BRL 58.7M in 3Q18, a decrease of 8.7% in constant versus 3Q17.

The breakdown and analysis of our expenses is as follows:

Selling and marketing expenses (+6.4% in constant currency) reaching BRL 28.0M in 3Q18 vs. BRL 40.6M in 2Q18 and BRL 31.1M in 3Q17.

Selling and marketing expenses represented 48% (in constant currency) of total recurring OPEX for 3Q18, in line with 3Q17, maintaining the same level of expenditure YoY (16% of net revenues in 3Q18, 2Q18 and 3Q17). The increase is a direct result of the additional expense incurred in the launch and promotion of recent launches. There are several products we are currently working on the launch and several other products we are already planning launches for next year. It is also impacted by Dosa's selling and marketing expenses.

General and administrative expenses (-17.8% in constant currency) totaled BRL 13.9M in 3Q18 from BRL 22.9M in 3Q17. G&A represented 9% of net revenues, with a decrease from 11% of net revenues in 3Q17, showing our commitment with cost control.

We are excluding the non-recurring registration of the stock grants to the senior management in 3Q18 of BRL 3.5M. Including this non-cash item, in 3Q18 G&A totaled BRL 17.4M.

R&D, medical, regulatory and business development expenses (+47.0% in constant currency) came to BRL 8.0M from BRL 9.1M in 3Q17. This line represented 6% of net revenues, in line with 5% of net revenues in 2Q18. The increase when compared with 3Q17 is mainly related to the addition of new products for registration and dossier preparation,

renewal process certifications in different countries, market analysis, due diligence for new potential licenses and the addition of Dosa.

Reorganization, integration and acquisition expenses (+93.3% in constant currency) amounted to BRL 3.8M in 3Q18 from BRL 1.7M in 3Q17. The increase is mainly driven by senior management restructuring costs and in a lower portion the residual expenses of M&A in Argentina.

Other operating income/expenses totaled BRL 1.4M in 2Q18, related to a reclassification of a profit accrued under this line in 2Q18 recorded in this quarter under G&A expenses (salaries).

Operating expenses

(BRL Millions)

	3Q18	3Q17	Chg. %	3Q18*	3Q18	Chg. %	9M18	9M17	Chg. %	9M18*	9M18	Chg. %
Recurring selling and marketing expenses	-28.0	-31.1	-9.8%	-32.3	-33.1	6.4%	-98.2	-95.4	3.0%	-104.8	-109.0	14.3%
(-) Bad debt recovery	0.0	0.0	-	0.0	0.0	-	-5.3	0.0	-	-5.3	-4.5	-
Selling and marketing expenses including bad debt	-28.0	-31.1	-9.8%	-32.3	-33.1	6.4%	-92.9	-95.4	-2.5%	-99.5	-104.6	9.6%
Recurring general and administrative expenses	-13.9	-22.9	-39.4%	-17.4	-18.8	-17.8%	-60.9	-66.1	-7.9%	-64.5	-67.6	2.3%
(+) Stock grants	-3.5	-15.2	-76.8%	-3.5	-3.5	-76.8%	-9.2	-34.1	-73.0%	-9.2	-9.2	-73.0%
G&A expenses including non-cash items	-17.4	-38.2	-54.3%	-20.9	-22.4	-41.3%	-70.1	-100.2	-30.1%	-73.6	-76.8	-23.3%
R&D, medical, regulatory and bus. dev. expenses	-8.0	-9.1	-12.1%	-10.7	-13.4	47.0%	-29.2	-25.9	12.6%	-34.4	-40.9	57.9%
Reorganization, integration and acquisition expenses	-3.8	-1.7	127.2%	-4.3	-3.2	93.3%	-9.9	-6.1	62.0%	-10.7	-9.0	47.6%
Other operating income/(expenses)	-1.4	0.0	4260.1%	-1.4	-1.0	3091.7%	1.1	1.9	-42.0%	1.2	1.5	-21.7%
Recurring operating expenses	-55.1	-64.8	-15.0%	-66.1	-69.6	7.3%	-197.1	-191.6	2.9%	-213.1	-225.1	17.5%
Operating expenses including non-cash and bad debt items	-58.7	-80.1	-26.7%	-69.7	-73.1	-8.7%	-201.0	-225.7	-10.9%	-217.0	-229.8	1.8%

■ Constant currency ■ Nominal currency * Historical number

EBITDA

Adjusted EBITDA reached BRL 39.4M in 3Q18, up 34.3% in constant currency, with an adjusted EBITDA margin of 27.6% in 3Q18 vs. 24.8% in 2Q18 and 21.4% in 3Q17. Adjusted EBITDA 3Q18LTM marked BRL 211M (with hyperinflation adjustments) from BRL 226M in 2Q18 and BRL 203M in 3Q17LTM.

For the 9M18, adjusted EBITDA came to BRL 137.7M, up 37.9% vs. 9M17, with margin of 23.5%, an increase of 149 bps vs. 9M17.

The special items excluded refer to: (i) BRL 2.5M of expenses related to the senior management change plus BRL 1.3M related with integration of Dosa and synergies, among other minor expenses and (ii) BRL 3.5M related to stock grants to the senior management team.

Improvement in margin in the quarter (240 bps in nominal YoY) is mainly related to the lower sale of SOVALDI®, improvement in the quality of our revenues with products with better margins, products of our rare diseases BGx (severe pulmonary diseases) that have a slightly better margin, mix of products and sales channels and some contracts with FX protection clauses as explained in gross profit.

Earnings before interests, taxes, depreciation and amortization (EBITDA)

(BRL Millions)

	3Q18	3Q17	Chg. %	3Q18*	3Q18	Chg. %	9M18	9M17	Chg. %	9M18*	9M18	Chg. %
Net income (loss)	12.7	-7.6	-266.3%	17.0	22.6	-395.9%	45.0	-7.6	-690.7%	52.9	60.6	-895.5%
Total interest and others financial expenses	7.1	22.5	-68.2%	12.4	11.7	-47.8%	34.2	51.7	-33.8%	50.8	53.9	4.1%
Income tax	5.3	5.7	-8.0%	6.0	9.2	59.9%	23.9	29.5	-19.0%	22.2	27.2	-7.8%
(+) D&A	7.0	4.4	59.5%	6.5	6.0	35.8%	20.7	12.4	67.2%	19.2	18.6	50.0%
(+) Stock grants	3.5	15.2	-76.8%	3.5	3.5	-76.8%	9.2	34.1	-73.0%	9.2	9.2	-73.0%
(+) One-time adjustments	3.8	1.7	127.2%	4.3	3.2	93.3%	4.6	6.1	-24.5%	5.4	4.5	-26.0%
Adjusted EBITDA	39.4	41.8	-5.8%	49.8	56.2	34.3%	137.7	126.2	9.1%	159.7	174.0	37.9%
<i>Adjusted EBITDA margin</i>	<i>23.8%</i>	<i>21.0%</i>	<i>283 bps</i>	<i>25.2%</i>	<i>27.6%</i>	<i>665 bps</i>	<i>23.5%</i>	<i>22.0%</i>	<i>149%</i>	<i>25.1%</i>	<i>25.9%</i>	<i>386 bps</i>
EBITDA	32.1	24.9	28.8%	41.9	49.5	98.2%	123.9	86.0	44.0%	145.1	160.3	86.3%

■ Constant currency ■ Nominal currency * Historical number

NET FINANCIAL RESULTS

In 4Q17, we incurred into two new debts, one in Argentina (Citibank) and another one in Brazil (Itaú). In the 3Q18, debt with Citibank incurred in accrued interest expenses in the amount of BRL 1.3M (BRL 4.1M without the effect of hyperinflation adjustment) and the debt with Itaú incurred in accrued interest expenses for BRL 3.2M.

Others finance expenses amounted to BRL 2.0M (BRL 2.2M without the effect of hyperinflation adjustment), as a net result of: (i) NDF FX Hedges with a positive result of BRL 1.8M; (ii) taxes on financial transactions, such as IOF expenses and withholding with a negative result of BRL 0.9M (0.1M without the effect of hyperinflation adjustment); and (viii) other financial results with a positive impact of BRL 1.1M (0.5M without the effect of hyperinflation adjustment).

Foreign exchange loss decreased in 3Q18 to BRL 6.5M from a loss of BRL 8.8M in 3Q17. The FX results for the quarter was the combined result of: (i) BRL 1.9M loss with third-party, driven mainly by direct sales of licensed products from Uruguay to Brazil and commercial liabilities of Argentina in USD (related with APIs, local suppliers and M&A liabilities) that was partially compensated by a fixed FX agreement in J&J sale and (ii) BRL 5.4 intercompany loss impacted by our Uruguayan's procurement hub sales of licensed products to our intercompany affiliates in their local currencies (BRL 7.2M loss) that was partially compensated by LKM's sales of BGx products to our intercompany affiliates in USD (BRL 2.5M gain), among other minor impacts. There is also a hyperinflation impact, a BRL 0.7M gain due to hyperinflation adjustment in Argentina for result for exposure of net monetary items to inflation during the period plus change in translation procedure for profit and loss figures (monthly average FX rates vs. spot at closing date). Whereas, in the

3Q17, foreign exchange results were driven by the company's exposure to intercompany balances mainly generated by the financial intercompany loan between Spain and Colombia. As this debt was fully paid in the end of 2017, no foreign exchange from this debt impacted the current quarter.

For the 9M18, FX loss totaled BRL 26.5M from BRL 10.5M in 9M17. This significant increase is mostly related to: (i) the intercompany loss of BRL 17.2M, mainly impacted by the intercompany sales of our Uruguayan subsidiary to our affiliates in local currency that was partially compensated by LKM's sales of BGx products to our affiliates in USD (BRL 7.3M) and (ii) BRL 10.9M third-party loss driven mostly by LKM's commercial liabilities in USD (M&A liabilities, APIs and local suppliers) and direct sales of licensed products to Brazil. Additionally, there was a positive impact of the hyperinflation adjustment of BRL 1.6M.

Net financial results

(BRL Millions)

	3Q18	3Q17	Chg. %	3Q18*	9M18	9M17	Chg. %	9M18*
Interest and other financial expenses	-2.5	-13.7	-82.0%	-5.1	-18.5	-41.2	-55.0%	-22.7
Bancolombia	0.0	-7.5	-	0.0	0.0	-22.7	-	0.0
PECs	0.0	-2.1	-	0.0	0.0	-9.9	-	0.0
Citibank	-1.3	0.0	-	-4.1	-11.6	0.0	-	-15.0
Itaú Unibanco	-3.2	0.0	-	-3.2	-9.5	0.0	-	-9.5
Other financial expenses	2.0	-4.2	-	2.2	2.5	-8.6	-	1.8
FX income/expenses, net	-6.5	-8.8	-25.3%	-7.2	-26.5	-10.5	151.9%	-28.1
Net financial results	-9.0	-22.5	-59.9%	-12.4	-45.0	-51.7	-12.9%	-50.8

* Historical number

TAXES

In 3Q18, income taxes as reported totaled BRL 8.2M and BRL 23.0M in 9M18. GBT's cash effective tax rate stood at 33.4% in the quarter and 26.3% in 9M18.

Non-deductible temporary losses that increase the cash effective tax rate of Q318 are the following: (i) Itaú interests due to fiscal losses in 3Q18 at Brazil's subsidiary, ii) high currency volatility during the quarter that generated a significant non-deductible FX loss in Uruguay of BRL 25.2M and in Argentina of BRL 6.8M related to a non-compete agreement and iii) non-deductible stock grants amounting to BRL 9.2M. Additionally, the quarter was impacted by the accrual of a nine-month loss in Colombia originated in the incremental of the notional tax rate (20% to 37%) as a consequence of the exit of our Colombian subsidiary from the free zone regime which will be effectively before year-end. These effects are attenuated by the gain on net monetary position for exposure to inflation of BRL 10.8M, the recovery of 2017 PAMI, which are not subjected to taxes.

Effective tax rate

(BRL Million)

	3Q17	4Q17	1Q18	2Q18	3Q18	9M17	9M18
EBT	-1.9	41.2	23.8	27.9	18.0	21.9	68.9
Stock grants	15.2	-3.6	2.8	2.8	3.5	34.1	9.2
FX on acquisition non deductible interests	18.3	-3.1	0.0	0.0	0.0	36.3	0.0
Loan Itaú – non-deductible loan	-	-	3.2	3.1	3.2	-	9.5
Adjusted EBT	31.6	34.5	29.7	33.9	24.7	92.4	87.6
Current income tax	4.7	10.4	8.4	8.2	8.2	20.5	23.0
Cash effective tax rate¹	14.8%	30.0%	28.2%	24.3%	33.4%	22.1%	26.3%

¹ Current income tax / Adjusted EBT

NET INCOME AND ADJUSTED NET INCOME

Net income totaled BRL 12.7M in 3Q18 from a loss of BRL 7.6M in 3Q17. In 9M18, net income totaled BRL 45.0M, from a loss of BRL 7.6M in 3Q17. Net margin stood at 7.7% in 3Q18.

This significant improvement is driven mainly by the 22% increase of operating income (already including hyperinflation adjustment), showing solid performance of our operations in the first half of the year. This improvement is also explained by the debt restructuring that positively contributed for a lower effective income tax.

Although the volatility of the currencies (considering third-party FX) during the quarter impacted negatively to GBT, adjusted net income totaled BRL 26.6M in 3Q18, an improvement of 49.7% when compared with 3Q17.

The table below shows the adjusted net income for the period after eliminating non-cash items, such as, stock grants, intercompany FX and one-time adjustments.

Net income and adjusted net income

(BRL Millions)

	3Q18	3Q17	Chg. %	3Q18*	3Q18	Chg. %	9M18	9M17	Chg. %	9M18*	9M18	Chg. %
Net income (loss)	12.7	-7.6	-	17.0	22.6	-	45.0	-7.6	-	52.9	60.6	-
Intercompany exchange difference	6.6	8.5	-22.7%	5.4	3.0	-65.0%	18.9	8.5	123.3%	17.3	11.4	35.1%
Stock grants	3.5	15.2	-76.8%	3.5	3.5	-76.8%	9.2	34.1	-73.0%	9.2	9.2	-73.0%
One-time adjustments	3.8	1.7	127.2%	4.3	3.2	93.3%	4.6	6.1	-24.5%	5.4	4.7	-23.6%
Adjusted net income	26.6	17.8	49.7%	30.2	32.3	82.1%	77.7	41.0	89.4%	84.8	85.9	109.4%

■ Constant currency ■ Nominal currency * Historical number

CASH FLOW

Net cash flow from operating activities amounted to BRL 76.7M in 9M18 from BRL 68.6M in 9M17, an improvement of 11.8% and a conversion rate to adjusted EBITDA of 55.7%.

The period is impacted by the following events: (i) income tax rectification from DOSA for regularizing former owner past contingencies (+BRL 8.8M), and (ii) integration and reorganization expenses (+BRL 6.4M), both one-timers.

Excluding these effects, in 9M18 adjusted net cash flow from operating activities amounted to BRL 91.9M and the conversion rate of adjusted operating cash flow to adjusted EBITDA reached 66.8%.

For 9M18, there was a high currency volatility that impacted the operating cash, including BRL 22.0M of translation results and BRL 10.3M of hyperinflation adjustment. Isolating these effects, cash conversion rate would have been 90.2%.

Net cash flow from operating activities

(BRL Millions)

	9M18	9M17
Income (loss) before income tax	68.9	21.9
Amortization, depreciation & impairment	21.5	13.4
Share based payments	8.8	34.8
Movements in provisions	-5.4	-5.7
Recovery for debtors impairment	-5.3	0.0
Financial expenses	17.6	40.2
Intercompany FX	18.9	0.0
Gain on net monetary position for exposure to inflation	-10.8	
Others	3.5	0.0
Changes in assets and liabilities		
Inventories	-59.1	-16.8
Trade receivables and other account receivables	-53.6	-14.8
Other assets	-8.9	1.8
Trade creditors and other account payable	115.3	16.1
Income tax payments	-34.6	-22.4
Net cash flow from operating activities	76.7	68.6
One-timers		
DOSA taxes payment regularizing former owner past contingencies	8.8	0.0
Corporate reorganization	6.4	0.0
Adjusted Net cash flow from operating activities	91.9	68.6
Net Revenues	585.5	573.1
Adjusted EBITDA	137.7	126.2
<i>Net cash flow from operating activities / Adjusted Ebitda</i>	<i>55.7%</i>	<i>54.3%</i>
<i>Net cash flow from operating activities / Net revenues</i>	<i>13.1%</i>	<i>12.0%</i>
<i>Adjusted net cash flow from operating activities / Adjusted Ebitda</i>	<i>66.8%</i>	<i>54.3%</i>
<i>Adjusted net cash flow from operating activities / Net revenues</i>	<i>15.7%</i>	<i>12.0%</i>

WORKING CAPITAL

In the quarter, working capital as a percentage of net revenues came to 32.5% (25.9% without the effect of hyperinflation adjustment), up from 20.2% in 2Q18 and 26.1% in 3Q17.

Regarding cash conversion cycle and working capital ratios, we decided to change the formula through which they are calculated to get better representation of our working capital. Days sales outstanding (DSO) are now calculated considering only commercial account receivables (net from debtors' impairment). On the other hand, days payable outstanding (DPO) are now calculated taking into consideration only commercial debts in the numerator, and the effect of translation results to obtain the purchases. It is important to note that these ratios are distorted by FX volatility, which was significant in the quarter.

For comparison purposes with prior quarters, we are using historical figures for 3Q18. In the last column of the table below, numbers with hyperinflation adjustment for 3Q18 are shown.

DSO stood at 129 days in 3Q18, an increase of 22 days vs. 2Q18 and 18 days vs 3Q17. Mainly, this comes from Actelion products sold to Janssen in 2Q18, whose receivables are still outstanding, but we have started to collect in November. The other main effects are the delay in public channel in Brazil and Uruguay.

DIO (days of inventory outstanding) came to 157 days in 3Q18, an increase of 38 days from 119 days in 2Q18 and 46 days from 111 days in 3Q17. This deterioration is mainly driven by the increment of AMBISOME[®] inventories in anticipation for the Gilead plant's transfer and backorders from Falk and CSL, of which the stocks arrived in 3Q18. In addition, the increase is impacted by new launches (ABRAXANE[®], HALAVEN[®], LENVIMA[®] and Gilead products in Andean Region) and the stocks contributed by DOSA.

DPO improved by 5 days, from 152 days in 2Q18 to 157 days in 3Q18, and there is an improvement of 36 days when compared with 3Q17. The improvement from 3Q17 is mainly related to outstanding liabilities with partners (mainly Actelion and Gilead Ireland) held in Uruguay, whose purchases were performed in 1Q18 or before. We have already paid partially our debt with Actelion in October and November, and we expect to cancel the remaining balance before year end. The debt with Gilead Ireland is related to SOVALDI[®] and HARVONI[®] purchases which we are paying once we sell the products, as agreed with the partner.

Cash conversion cycle came to 130 days in 3Q18 (excluding hyperinflation adjustment).

In table below, we show the figures calculated with the new criteria for all the quarters.

Cash conversion cycle and working capital

(Days)

	3Q17	4Q17	1Q18	2Q18	3Q18*	3Q18
Days sales outstanding ¹	111	117	140	107	129	156
Days inventory outstanding ²	111	124	175	119	157	192
Days payable outstanding ³	(121)	(113)	(137)	(152)	(157)	(172)
Cash conversion cycle	101	128	179	74	130	176
Working capital⁴	26%	23%	34%	20%	26%	33%

¹ Accounts receivable | ² Inventories | ³ Supplies | ⁴ As % of net revenues

* Historical number

CAPEX AND INTANGIBLE CAPEX

CAPEX totaled BRL 13.5M in 3Q18, related to: (i) BRL 10.8M of acquired intangible assets related to regulatory milestones from Eisai, related with new indications for LENVIMA® and HALAVEN®; IT applications and ERP/reporting system and (ii) BRL 2.7M of maintenance of plants, distribution centers and R&D centers.

In 9M18, CAPEX amounted to BRL 32.9M, including BRL 27.1M of acquired intangible assets. Maintenance CAPEX totaled BRL 5.9M in the period vs. BRL 10.9M in 9M17.

The decrease on maintenance CAPEX is related to the conclusion of the HIV plant in Argentina. Last year we were still building up the plant, causing therefore higher investments.

CAPEX

(BRL Millions)

	3Q18	3Q17	Chg. %	9M18	9M17	Chg. %
Acquired intangible CAPEX	10.8	11.0	-1.6%	27.1	16.0	68.8%
Maintenance CAPEX	2.7	2.5	9.4%	5.9	10.9	-46.3%
Total CAPEX acquired	13.5	13.5	0.4%	32.9	26.9	22.2%

INDEBTEDNESS

During 4Q17, GBT carried out two financial operations, raising BRL 250M in new resources in order to fund its expansion and operations plans. GBT's debt is allocated in our two most representative geographies - Brazil and Argentina.

GBT contracted a debt in Argentina for ARS 531.2M, in two separate loan contracts with Citibank. Debt denominated in Argentinean pesos is a natural hedge to the FX translation impact of our revenues denominated in the same currency. Approximately 50% of the total has a fixed rate of 18.4% p.a. (21.66% all-in after including withholding tax) and the other 50% had a variable rate of *BADLAR Corregida* + 3.50%. For the interest period related to 3Q18, the interest rate was 31.7%. In November 2nd, this part of the debt was fully paid, anticipating the increase in interest rate we would have obtained, that would have risen to 90.83%.

The second financial operation was in Brazil, where we contracted a debt for BRL 150M with Itaú Brazil, with an interest rate of CDI +1.65%.

Net debt amounted to BRL 105.4M in 3Q18, remaining in a similar level than previous quarter.

Net indebtedness

(BRL Millions)

	2Q17	3Q17	2Q18	3Q18
Gross debt	497.8	300.2	222.6	208.6
Cash and cash equivalents	-46.6	-230.6	-122.3	-103.1
Net debt	451.1	69.6	100.3	105.4

Net debt highlights

	3Q17	4Q17	1Q18	2Q18	3Q18
Net debt / Adjusted EBITDA LTM	0.4x	0.7x	0.8x	0.4x	0.5x
Adjusted EBITDA / Interest expense ¹	4.1x	3.5x	3.7x	4.8x	4.9x

¹ Net debt as of the end of each quarter

The ratio net debt to EBITDA stood at 0.5x in 3Q18, in line with 2Q18 and 3Q17. The stabilization of the ratio is due to the cancellation of the PECs and full payment of Bancolombia debt. Comparing with 1Q18 the improvement is mainly related to translation results impacting in the debt contracted in Argentinian pesos when translated into BRLs.

Our adjusted EBITDA to interest expense ratio also stood flat at 4.9x in 3Q18 vs. 4.8x in 2Q18 and 4.1x in 3Q17.

CAPITAL MARKETS

Grupo Biotoscana's shares (B3: GBIO33) at the end of 3Q18 were quoted at BRL 9.10. The average daily trading volume (ADTV) in the period (3Q18) was BRL 3.0M, with a current market cap of ~BRL 970M.

As mentioned on previous documents, on April, GBT held its Extraordinary Shareholders Meeting where the buyback program was approved to acquire up to 5% of the free float, up to 2,773,631 BDRs, out of 50,429,659 outstanding BDRs/shares. The program's objective is to create value for shareholders by properly managing the Company's capital structure.

At the end of the 3Q18, GBT had exercised the buyback on the amount of 1,346,300 BDRs, with an average price of BRL 10.49 with prices ranging from BRL 14.30 to BRL 9.16; and held in treasury 664,395 BDRs.

To fulfill the vesting or stock grant for the management, GBT distributed 681,905 BDRs, that were previously held in treasury.

MAIN SHAREHOLDERS

Ownership structure

	BDRs/Shares	%
Advent International ¹	29,510,653	27.7%
Essex Woodlands ¹	18,009,958	16.9%
Roberto Guttman / Roberto Friedlander ¹	7,600,469	7.1%
Management	330,380	0.3%
Free Float ⁽²⁾⁽³⁾	51,170,846	48.0%
Total	106,622,306	100%

¹ Controlling shareholders

² Free float excluding controlling shareholders and management as of October 2018

³ Includes treasury shares

IR ACTIVITIES

GBT participated in 10 conferences this year in Brazil, Argentina, US and Europe and completed non-deal roadshows in Europe, Chile and Brazil.

GBT is confirmed to participate at the JP Morgan Conference in São Paulo, later this month.

APPENDIX

APPENDIX 1: PROFIT AND LOSS STATEMENT– HYPERINFLATION IN ARGENTINA

	Notes	From January 1 to September 30, 2018 (unaudited)	From January 1 to September 30, 2017 (unaudited)	From July 1 to September 30, 2018 (unaudited)	From July 1 to September 30, 2017 (unaudited)
Net revenues	3-13	585.475.095	573.098.632	165.586.171	199.454.689
Cost of sales	14	(281.348.255)	(273.777.689)	(81.799.978)	(98.837.918)
Gross profit		304.126.840	299.320.943	83.786.193	100.616.771
Selling and marketing expenses	14	(92.934.079)	(95.360.603)	(28.042.725)	(31.101.193)
General and administrative expenses	14	(70.101.971)	(100.220.395)	(17.426.015)	(38.155.200)
R&D, medical, regulatory and business development expenses	14	(29.177.726)	(25.902.244)	(8.014.972)	(9.115.802)
Reorganization, integration and acquisition expenses	14	(9.868.530)	(6.090.756)	(3.763.041)	(1.656.351)
Other operating income/expense, net		1.097.881	1.892.231	(1.415.814)	(32.472)
Operating income		103.142.415	73.639.176	25.123.626	20.555.753
Interest and other financial expense, net	14	(18.540.554)	(41.195.361)	(2.468.747)	(13.706.504)
Foreign exchange expense, net	14	(26.501.179)	(10.518.499)	(6.539.830)	(8.759.375)
Gain on net monetary position for exposure to inflation		10.826.006	-	1.867.458	-
Financial expenses		(34.215.727)	(51.713.860)	(7.141.119)	(22.465.879)
Income (loss) before income tax		68.926.688	21.925.316	17.982.507	(1.910.126)
Income tax	18	(23.925.623)	(29.544.191)	(5.273.612)	(5.730.940)
Net income (loss)		45.001.065	(7.618.875)	12.708.895	(7.641.066)
Attributable to					
Equity holders of the parent		45.001.065	(7.618.875)	12.708.895	(7.641.066)
Earnings per share					
Basic, income (loss) for the period attributable to ordinary equity holders of the parent		0,42	(0,08)	0,12	(0,08)
Diluted, income (loss) for the period attributable to ordinary equity holders of the parent		0,42	(0,08)	0,12	(0,08)

APPENDIX 2: STATEMENT OF COMPREHENSIVE INCOME (LOSS) - HYPERINFLATION IN ARGENTINA

	From January 1 to September 30, 2018 (unaudited)	From January 1 to September 30, 2017 (unaudited)	From July 1 to September 30, 2018 (unaudited)	From July 1 to September 30, 2017 (unaudited)
Net income (loss)	45.001.065	(7.618.875)	12.708.895	(7.641.066)
Other comprehensive (loss) income to be reclassified to income or loss in subsequent periods (net of income tax)				
Effect of hedging transactions	-	(498.807)	-	49.026
Exchange difference on translation of foreign operations	(13.127.115)	353.754	(6.786.469)	6.758.226
Total other comprehensive (loss) income to be reclassified to income or loss in subsequent periods (net of income tax)	(13.127.115)	(145.053)	(6.786.469)	6.807.252
Total comprehensive income (loss)	31.873.950	(7.763.928)	5.922.426	(833.814)
Attributable to				
Equity holders of the parent	31.873.950	(7.763.928)	5.922.426	(833.814)

APPENDIX 3: BALANCE SHEET – HYPERINFLATION IN ARGENTINA

ASSETS	Notes	September 30, 2018 (unaudited)	December 31, 2017 (Restated - Note 2.2. and 15)
NON-CURRENT ASSETS			
Intangible assets	4	561.128.550	497.992.687
Property, plant and equipment	5	42.689.805	40.901.187
Investment properties		5.643.635	-
Trade receivables and other account receivables	7	986.207	1.241.370
Other assets	7	2.004.239	668.973
Deferred tax assets		21.933.810	26.699.023
Total non-current assets		<u>634.386.246</u>	<u>567.503.240</u>
CURRENT ASSETS			
Inventories	6	172.459.442	140.186.720
Trade receivables and other account receivables	7	338.092.482	360.216.341
Other assets	7	15.035.939	10.511.134
Cash and short-term deposits	11	103.148.989	98.117.853
Total current assets		<u>628.736.852</u>	<u>609.032.048</u>
TOTAL ASSETS		<u>1.263.123.098</u>	<u>1.176.535.288</u>
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	17	216.432	213.616
Share premium		748.623.187	728.804.577
Treasury shares	17	(6.316.331)	-
Other capital reserves		11.544.061	30.410.470
Retained earnings		244.757.458	114.927.217
Transactions with equity holders		(333.180.376)	(333.180.376)
Other equity items		37.710.797	50.837.912
Total equity		<u>703.355.228</u>	<u>592.013.416</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	151.013	301.627
Long-term financial debt and borrowings	8	170.537.893	224.520.468
Payroll and social security liabilities	8	339.189	593.375
Taxes payable	8	825.476	2.237.263
Other liabilities	8	-	7.574.485
Deferred tax liability		39.748.251	38.538.444
Total non-current liabilities		<u>211.601.822</u>	<u>273.765.662</u>
CURRENT LIABILITIES			
Short-term provisions	12	6.869.326	21.764.481
Short-term financial debt and borrowings	8	38.040.945	21.902.436
Trade payable	8	224.630.998	172.388.178
Contract liabilities	8	9.911.161	7.731.467
Refund liabilities	8	440.169	487.680
Payroll and social security liabilities	8	23.864.656	28.079.592
Taxes payable	8	21.885.548	30.722.499
Other liabilities	8	22.523.245	27.679.877
Total current liabilities		<u>348.166.048</u>	<u>310.756.210</u>
Total liabilities		<u>559.767.870</u>	<u>584.521.872</u>
TOTAL EQUITY AND LIABILITIES		<u>1.263.123.098</u>	<u>1.176.535.288</u>

APPENDIX 4: CONSOLIDATED STATEMENT OF CASH FLOWS – HYPERINFLATION IN ARGENTINA

	Notes	From January 1 to September 30, 2018 (unaudited)	From January 1 to September 30, 2017 (unaudited) (Restated - Note 2.2.)
Cash flow from operating activities			
Income before income tax		68.926.688	21.925.316
Adjustments to reconcile profit before income tax to net cash flows:			
PP&E depreciation and intangible amortization	4 and 5	20.723.150	12.391.104
PP&E and intangible disposals	4 and 5	743.018	1.052.698
Share-based payments	16	8.756.099	34.826.073
Inventory allowance for impairment in value	6	3.525.080	2.704.917
Allowance for debtors' impairment	7	2.399.455	1.514.514
Recovery for debtors' impairment	7	(5.271.383)	-
Movements in provisions		(11.280.274)	(9.877.343)
Interest and other financial expenses		17.567.638	40.159.404
Foreign exchange expenses		18.921.592	-
Reorganization, integration and acquisition expenses		3.498.842	-
Gain on net monetary position for exposure to inflation		(10.826.006)	-
Changes in assets and liabilities			
Inventories		(59.101.384)	(16.809.597)
Trade receivables and other account receivables		(53.624.090)	(14.821.519)
Other assets		(8.898.577)	1.812.016
Trade payable and other liabilities		115.287.412	16.111.787
Income tax payments		(34.628.696)	(22.429.127)
Net cash flow from operating activities		<u>76.718.564</u>	<u>68.560.243</u>
Cash flows used in investing activities			
Payments related to acquisition of intangible assets		(35.928.081)	(16.028.591)
Payments related to acquisition of property, plant and equipment	5	(5.853.261)	(10.893.175)
Expenses paid related to the acquisition of a subsidiary		(1.698.688)	-
Net cash flow used in investing activities		<u>(43.480.030)</u>	<u>(26.921.766)</u>
Cash flows from financing activities			
Proceeds from financial debt and borrowings		30.211.415	18.057.110
Payment of financial debt and borrowings		(6.164.460)	(211.789.526)
Interest and other financial expense payments		(11.833.129)	(23.435.817)
Proceeds from issued capital (Net of share issued cost)		-	379.548.828
Buyback of shares		(14.117.413)	-
Expenses paid related to issued share capital		(1.800.154)	-
Net cash from financing activities		<u>(3.703.741)</u>	<u>162.380.595</u>
Loss of cash and cash equivalent for exposure to Inflation		(3.191.016)	-
Effect of foreign exchange results		(21.312.641)	(9.267.684)
Net increase of cash and cash equivalents		<u>5.031.136</u>	<u>194.751.388</u>
Cash and cash equivalents at the beginning of the period		<u>98.117.853</u>	<u>30.340.997</u>
Cash and cash equivalents at the end of the period		<u><u>103.148.989</u></u>	<u><u>225.092.385</u></u>

APPENDIX 5: P&L BREAKDOWN 3Q18

	3Q18	Hyperinflation Argentina	3Q18*	Currency Translation	3Q18 Constant	3Q17	% As Reported	% Constant Growth
Gross Revenues	177.4	(34.8)	212.2	(4.8)	217.0	228.0	-22%	-5%
Net Revenues	165.6	(32.2)	197.8	(5.6)	203.4	199.5	-17%	2%
Cost of Sales	(81.8)	10.9	(92.7)	(5.9)	(86.8)	(98.8)	-17%	-12%
COGS (%)	-49.4%	-33.9%	-46.9%	105.8%	-42.7%	-49.6%	-15 bps	-688 bps
Gross Profit	83.8	(21.3)	105.1	(11.5)	116.6	100.6	-17%	16%
Gross Margin (%)	50.6%	66.1%	53.1%	205.8%	57.3%	50.4%	15 bps	688 bps
<i>Selling and marketing expenses</i>	(28.0)	4.3	(32.3)	0.8	(33.1)	(31.1)	-10%	6%
<i>General and administrative expenses</i>	(17.4)	3.5	(20.9)	1.5	(22.4)	(38.2)	-54%	-41%
<i>R&D, medical, regulatory and business development expenses</i>	(8.0)	2.7	(10.7)	2.7	(13.4)	(9.1)	-12%	47%
<i>Reorganization, Integration and acquisition expenses</i>	(3.8)	0.6	(4.3)	(1.1)	(3.2)	(1.7)	127%	93%
<i>Other operating income/expenses, net</i>	(1.4)	(0.1)	(1.4)	(0.3)	(1.0)	(0.0)	4260%	3092%
Operating income	25.1	(10.3)	35.4	(8.1)	43.5	20.6	22%	112%
EBIT Margin	15.2%	31.9%	17.9%	144.4%	21.4%	10.3%	487 bps	1108 bps
<i>Interest and other financial income/expense, net</i>	(2.5)	2.7	(5.1)	2.2	(7.3)	(13.7)	-82%	-46%
<i>Foreign exchange income/expense, net</i>	(6.5)	0.7	(7.2)	(2.9)	(4.4)	(8.8)	-25%	-50%
<i>Result exposure to inflation (REI)</i>	1.9	1.9	0.0	0.0	0.0	0.0	0%	0%
Financial expense/income	(7.1)	5.2	(12.4)	(0.6)	(11.7)	(22.5)	-68%	-48%
Income before taxes	18.0	(5.1)	23.0	(8.7)	31.8	(1.9)	-1041%	-1763%
Tax expense	(5.3)	0.8	(6.0)	3.1	(9.2)	(5.7)	-8%	60%
Net income	12.7	(4.3)	17.0	(5.6)	22.6	(7.6)	-266%	-396%
<i>D&A</i>	7.0	0.5	6.5	0.5	6.0	4.4	60%	36%
<i>Interest and other financial income/expense, net</i>	2.5	(2.7)	5.1	(2.2)	7.3	13.7	-82%	-46%
<i>Foreign exchange income/expense, net</i>	6.5	(0.7)	7.2	2.9	4.4	8.8	-25%	-50%
<i>Result exposure to inflation (REI)</i>	(1.9)	(1.9)	0.0	0.0	0.0	0.0	0%	0%
<i>Tax expense</i>	5.3	(0.8)	6.0	(3.1)	9.2	5.7	-8%	60%
EBITDA	32.1	(9.8)	41.9	(7.5)	49.5	24.9	29%	98%
EBITDA Margin	19.4%	30.4%	21.2%	134.6%	24.3%	12.5%	690 bps	1181 bps
<i>Stock grants</i>	3.5	0.0	3.5	0.0	3.5	15.2	-77%	-77%
<i>One-time adjustment</i>	3.8	(0.6)	4.3	1.1	3.2	1.7	49%	27%
Adjusted EBITDA	39.4	(10.4)	49.8	(6.4)	56.2	41.8	-8%	32%
Adjusted EBITDA Margin	23.8%	32.1%	25.2%	114.4%	27.6%	21.0%	240 bps	621 bps

APPENDIX 6: P&L BREAKDOWN 9M18

	9M18	Hyperinflation Argentina	9M18*	Currency Translation	9M18 Constant	9M17	% As Reported	% Organic Growth
Gross Revenues	638.4	55.0	693.4	(38.3)	731.7	652.4	15%	12%
Net Revenues	585.5	(50.7)	636.1	(36.0)	672.1	573.1	2%	17%
Cost of Sales	(281.3)	12.0	(293.3)	7.3	(300.6)	(273.8)	3%	10%
<i>COGS (%)</i>	<i>-48.1%</i>	<i>-23.6%</i>	<i>-46.1%</i>	<i>-20.3%</i>	<i>-44.7%</i>	<i>-47.8%</i>	<i>28%</i>	<i>-304%</i>
Gross Profit	304.1	(38.7)	342.8	(28.7)	371.5	299.3	2%	24%
<i>Gross Margin (%)</i>	<i>51.9%</i>	<i>76.4%</i>	<i>53.9%</i>	<i>79.7%</i>	<i>55.3%</i>	<i>52.2%</i>	<i>-28 bps</i>	<i>304 bps</i>
<i>Selling and marketing expenses</i>	(92.9)	6.6	(99.5)	5.0	(104.6)	(95.4)	-3%	10%
<i>General and administrative expenses</i>	(70.1)	3.5	(73.6)	3.2	(76.8)	(100.2)	-30%	-23%
<i>R&D, medical, regulatory and business development expenses</i>	(29.2)	5.2	(34.4)	6.5	(40.9)	(25.9)	13%	58%
<i>Reorganization, Integration and acquisition expenses</i>	(9.9)	0.8	(10.7)	(1.7)	(9.0)	(6.1)	62%	48%
<i>Other operating income/expenses, net</i>	1.1	(0.1)	1.2	(0.3)	1.5	1.9	-42%	-22%
Operating income	103.1	(22.7)	125.8	(15.9)	141.7	73.6	40%	92%
<i>EBIT Margin</i>	<i>17.6%</i>	<i>44.8%</i>	<i>19.8%</i>	<i>44.1%</i>	<i>21.1%</i>	<i>12.8%</i>	<i>477 bps</i>	<i>823 bps</i>
<i>Interest and other financial income/expense, net</i>	(18.5)	4.1	(22.7)	6.2	(28.8)	(41.2)	-55%	-30%
<i>Foreign exchange income/expense, net</i>	(26.5)	1.6	(28.1)	(3.1)	(25.0)	(10.5)	152%	138%
<i>Result exposure to inflation (REI)</i>	10.8	10.8	0.0	0.0	0.0	0.0	0%	0%
Financial expense/income	(34.2)	16.5	(50.8)	3.1	(53.9)	(51.7)	-34%	4%
Income before taxes	68.9	(6.1)	75.1	(12.8)	87.8	21.9	214%	301%
Tax expense	(23.9)	(1.8)	(22.2)	5.1	(27.2)	(29.5)	-19%	-8%
Net income	45.0	(7.9)	52.9	(7.7)	60.6	(7.6)	-691%	-895%
<i>D&A</i>	20.7	1.5	19.2	0.7	18.6	12.4	67%	50%
<i>Interest and other financial income/expense, net</i>	18.5	(4.1)	22.7	(6.2)	28.8	41.2	-55%	-30%
<i>Foreign exchange income/expense, net</i>	26.5	(1.6)	28.1	3.1	25.0	10.5	152%	138%
<i>Result exposure to inflation (REI)</i>	(10.8)	(10.8)	0.0	0.0	0.0	0.0	0%	0%
<i>Tax expense</i>	23.9	1.8	22.2	(5.1)	27.2	29.5	-19%	-8%
EBITDA	123.9	(21.2)	145.1	(15.2)	160.3	86.0	44%	86%
<i>EBITDA Margin</i>	<i>21.2%</i>	<i>41.9%</i>	<i>22.8%</i>	<i>42.2%</i>	<i>23.8%</i>	<i>15.0%</i>	<i>614 bps</i>	<i>883 bps</i>
<i>Stock grants</i>	9.2	0.0	9.2	0.0	9.2	34.1	-73%	-73%
<i>One-time adjustment</i>	4.6	(0.8)	5.4	15.1	4.5	6.1	210%	-26%
Adjusted EBITDA	137.7	(22.0)	159.7	(14.3)	174.0	126.2	9%	38%
<i>Adjusted EBITDA Margin</i>	<i>23.5%</i>	<i>43.4%</i>	<i>25.1%</i>	<i>39.6%</i>	<i>25.9%</i>	<i>22.0%</i>	<i>150 bps</i>	<i>386 bps</i>

* Historical number

APPENDIX 7: FX TABLE 2013-2018 IN RELATION TO BRL

Currency Period (Q)	USD		COP		ARS		PEN	
	EoP	Avg	EoP	Avg	EoP	Avg	EoP	Avg
1Q13	2.019	1.995	0.001100	0.001100	0.393	0.399	0.780	0.789
2Q13	2.226	2.062	0.001200	0.001100	0.411	0.395	0.785	0.789
3Q13	2.235	2.285	0.001200	0.001200	0.385	0.410	0.802	0.859
4Q13	2.348	2.272	0.001200	0.001200	0.359	0.375	0.838	0.871
1Q14	2.266	2.369	0.001200	0.001200	0.283	0.313	0.796	0.841
2Q14	2.205	2.234	0.001200	0.001200	0.271	0.277	0.788	0.811
3Q14	2.438	2.276	0.001200	0.001200	0.289	0.274	0.847	0.831
4Q14	2.687	2.548	0.001100	0.001200	0.317	0.299	0.888	0.895
1Q15	3.208	2.865	0.001200	0.001200	0.364	0.330	1.036	0.947
2Q15	3.103	3.073	0.001200	0.001200	0.342	0.343	0.976	1.027
3Q15	3.973	3.540	0.001300	0.001300	0.422	0.382	1.232	1.153
4Q15	3.905	3.841	0.001200	0.001300	0.302	0.384	1.144	1.218
1Q16	3.559	3.857	0.001200	0.001200	0.244	0.271	1.069	1.189
2Q16	3.210	3.501	0.001100	0.001200	0.215	0.247	0.985	1.116
3Q16	3.246	3.246	0.001126	0.001100	0.213	0.217	0.954	1.018
4Q16	3.298	3.204	0.001126	0.001100	0.206	0.213	0.971	1.017
1Q17	3.168	3.145	0.001099	0.001078	0.206	0.201	0.976	0.956
2Q17	3.308	3.215	0.001086	0.001101	0.199	0.204	1.021	0.985
3Q17	3.168	3.190	0.001079	0.001082	0.183	0.183	0.971	0.975
4Q17	3.308	3.247	0.001109	0.001087	0.176	0.185	1.021	1.001
1Q18	3.324	3.244	0.001190	0.001138	0.165	0.165	1.032	1.002
2Q18	3.856	3.467	0.001320	0.001220	0.133	0.158	1.178	1.066
3Q18	4.004	3.958	0.001350	0.001340	0.099	0.125	1.214	1.203

Currency Period (Month)	USD		COP		ARS		PEN	
	EoP	Average	EoP	Average	EoP	Average	EoP	Average
January-17	3.127	3.197	0.001072	0.001088	0.197	0.201	0.952	0.958
February-17	3.099	3.104	0.001075	0.001079	0.201	0.199	0.954	0.952
March-17	3.168	3.128	0.001099	0.001064	0.206	0.202	0.976	0.959
April-17	3.198	3.136	0.001085	0.001090	0.207	0.204	0.987	0.966
May-17	3.244	3.210	0.001112	0.001099	0.201	0.204	0.992	0.981
June-17	3.308	3.295	0.001086	0.001111	0.199	0.204	1.021	1.010
July-17	3.131	3.206	0.001086	0.001057	0.177	0.187	0.966	0.987
August-17	3.147	3.151	0.001070	0.001061	0.181	0.181	0.971	0.972
September-17	3.168	3.135	0.001079	0.001075	0.183	0.182	0.971	0.966
October-17	3.277	3.191	0.001078	0.001079	0.186	0.183	1.009	0.982
November-17	3.262	3.259	0.001088	0.001083	0.188	0.186	1.010	1.006
December-17	3.308	3.292	0.001109	0.001100	0.176	0.186	1.021	1.014
January-18	3.162	3.211	0.001116	0.001122	0.161	0.169	0.984	0.999
February-18	3.245	3.242	0.001131	0.001137	0.161	0.164	0.995	0.999
March-18	3.324	3.279	0.001190	0.001154	0.165	0.162	1.032	1.009
April-18	3.481	3.407	0.001239	0.001231	0.168	0.168	1.070	1.055
May-18	3.737	3.636	0.001301	0.001271	0.150	0.154	1.144	1.111
June-18	3.856	3.773	0.001320	0.001305	0.133	0.142	1.178	1.154
July-18	3.755	3.829	0.001300	0.001330	0.137	0.139	1.148	1.169
August-18	4.135	3.930	0.001350	0.001330	0.110	0.131	1.252	1.195
September-18	4.004	4.117	0.001350	0.001360	0.099	0.106	1.214	1.244

EoP= end of period | Avg. = average of the period (quarter or month)

APPENDIX 8: GROSS REVENUES BY THERAPEUTIC AREA

<i>(BRL million)</i>	3Q18	% '18	3Q17	% '17	Chg. %	3Q18	% '18	Chg. %
Gross revenues	177.4	100%	228.0	100%	-22.2%	217.0	100%	-4.8%
Infectious diseases	65.3	37%	74.1	32%	-11.9%	72.4	33%	-2.2%
Onco & onco-hematology	75.6	43%	79.2	35%	-4.5%	100.0	46%	26.2%
Speacialty treatments and I&I	31.2	18%	30.4	13%	2.8%	26.3	12%	-13.3%
Orphan & rare diseases	4.9	3%	43.2	19%	-88.7%	4.3	2%	-90.1%
Others	0.4	0%	1.2	1%	-64.0%	14.0	6%	1053.2%
Deduction	-3.9		-18.3		-78.7%	-5.7		-68.9%
Tax on sales	-8.0		-10.3		-22.4%	-8.0		-22.4%
Net revenues	165.6		199.5		-17.0%	203.4		2.0%

<i>(BRL million)</i>	9M18	% '18	9M17	% '17	Chg. %	9M18	% '18	Chg. %
Gross revenues	638.4	100%	652.4	100%	-2.1%	731.7	100%	12.2%
Infectious diseases	194.4	30%	219.4	34%	-11.4%	213.9	29%	-2.5%
Onco & onco-hematology	229.8	36%	218.9	34%	5.0%	272.5	37%	24.5%
Speacialty treatments and I&I	86.1	13%	87.4	13%	-1.4%	84.3	12%	-3.5%
Orphan & rare diseases	126.9	20%	119.7	18%	5.9%	146.1	20%	22.0%
Others	1.2	0%	7.0	1%	-82.2%	14.9	2%	112.6%
Deduction	-29.8		-54.8		-45.6%	-36.4		-33.5%
Tax on sales	-23.2		-24.5		-5.3%	-23.2		-5.3%
Net revenues	585.5		573.1		2.2%	672.1		17.3%

• Nominal currency

• Constant currency